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USSR Report

NATIONAL ECONOMY

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USSR REPORT
NATIONAL ECONOMY

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INVESTMENT, PRICES, BUDGET, FINANCE

MANAGEMENT RESTRUCTURING THROUGH INVESTMENT PROCESS PROPOSED

Moscow PLANOVOYE KHOZYAYSTVO in Russian No 12, Dec 86 pp 18-25

[Article by O. Pashchenko, head of department at USSR Gosplan and V. Silin, deputy chairman of the Council for the Study of Productive Resources at USSR Gosplan: "Questions On Reorganization of the Administration of the Investment Process"]

[Text] During the 27th CPSU Congress, it was noted: "The central element of investment policy is radical reorganization of capital construction and improvements in its effectiveness" (1). And there was a good basis for this. It is sufficient to consider that during the 1976-1980 period the effectiveness of capital investments in the national economy, measured by the ratio of the increase in national income produced to the volume of investments of a production nature, decreased by almost one third. Over the past five years, it continued to decline but not at such a rapid rate.

The plan for the economic and social development of the USSR calls for a radical change in this negative trend and for the effectiveness of capital investments to be increased by 16 percent. A number of economic measures have been outlined for achieving this goal. The reproduction structure of capital investments will be improved: the proportion of expenditures for the technical re-equipping and modernization of existing enterprises in the volume of capital investments for production construction will increase from 38 percent in 1985 to 50 percent in 1990. The proportion of construction-installation work in the volume of capital investments is expected to decline simultaneously from 52 percent during the 11th Five-Year Plan to 50 percent during the 12th. The five-year plan also calls for an increase of roughly twofold in the volumes for the withdrawal of fixed productive capital and a substantial deceleration in the drop in the output-capital ratio and, in some branches of industry, stabilization of the value for this ratio.

Such measures constituted the foundation for the investment plans of ministries, republics, associations and enterprises. The chief prerequisite for their timely and complete realization must be a radical reorganization of the administration of capital construction and the investment process as a whole. In a socialist economy, the investment process has an identical system of administration with its chief elements -- planning, an appropriate organizational structure and a mechanism of economic levers and stimuli. Thus,

reorganization of the administration of the investment process consists mainly of improving planning, the organizational structures of administration and its economic mechanism. In turn, an improvement in planning assumes an improvement in its methodology, which determines the essence of the investment process, the administration and logic of the causal-investigative relationships between their principal elements and also the planning methods and technology.

The purpose for reorganizing the system for administering the investment process -- having its elements conform to the increasing scales and complicated structures as rapidly as possible and also the creation of an economic mechanism which will be capable of satisfying more completely the requirements for the country's economic and social development. In solving this problem, the following must be taken into account:

- ...raising the efficiency of centralized administration of the investment process, developing a scientifically sound investment policy for the future that will ensure proportional and balanced economic and social development for the country and the creation of organizational and economic conditions and stimuli for the effective implementation of this policy in each cell of the national economy;

- ...expanding the limits for the investment independence of associations and enterprises, converting them over to true cost accounting procedures, self-support and self-financing of production expenditures, including investment expenditures, and raising responsibility for achieving high final results;

- ...expanding the use of commodity-money relationships on a socialist basis among participants in the investment process;

- ...implementing a comprehensive reorganization of the administration of the investment process that touches upon all of its elements -- methodology, methods, organization, technology and the economic mechanism at all levels of planning administration;

- ...coordinating the reorganization of the administration of the investment process with a change in the price and credit-financial mechanism, the system of logistical supply and so forth;

- ...experiments conducted in connection with developing the various elements of the economic mechanism in the investment sphere and the establishment of directive organs for improving the administration of individual branches and groups of branches;

- ...utilization of the experience of CEMA member states in administration of the investment process and raising the effectiveness of capital investments and construction.

Many problems concerned with the reorganization of planning are awaiting solutions. First of all, it will be necessary to examine and define more precisely the functions of the organs of administration at different levels in planning and administering the investment process. The functions of USSR

Gosplan must also be improved in conformity with the nature of the tasks confronting it in this area: the formation of investment policy for an extended period of time into the future and for a five-year period and the realization of this policy in annual plans; the selection of trends for the concentration of resources based upon improvements in inter-branch, inter-regional, reproduction and other proportions of the investment process and priorities, which will ensure solutions for the problems associated with the country's economic and social development, within the prescribed periods and with maximum effectiveness in the use of resources; achieving an internal resource and special purpose balance for the investment process and proper coordination of it with other economic and social processes during the development and implementation of national economic plans; the creation of economic and organizational conditions which will allow each participant in the investment process to achieve high final results.

In order to solve these tasks, it will be necessary to analyze the trends and factors concerned with a change in the scales, structure and effectiveness of the investment process during the basic period, for the national economy, branches and regions; determine the goal of the investment process for an extended period into the future and for the next five-year plan, for the national economy, branches and regions; distribute the investment resources among the principal participants; plan the creation and improvements in the economic mechanism in the investment sphere; determine the optimum forms for organizing the investment process and the organizational structures for its planning and administration; develop and implement measures for improving planning and administration for this process, while ensuring methodical and organizational unity of work by all corresponding organs of administration and by participants in the process; control implementation of the investment plans.

Let us turn our attention to the following circumstances. Thus the functions of USSR Gosplan include an economic analysis of the investment process. It is expected that these functions will be carried out during various work stages. For example, during preparation of the draft basic directions for the economic and social development of the USSR for 15 years and the control figures for the next five-year plan, a comprehensive economic analysis is carried out for the national economy, groups of branches, branches and regions, for the purpose of obtaining a qualitative and quantitative evaluation of the degree of influence of various technical, socio-economic and organizational factors on the course of the investment process during the basic period. In the process, an analysis is carried out on the reasons for a deviation from planned tasks and proportions, changes in specific capital investments for an increase in marketable output, effectiveness of capital investments with regard to growth in profit or net output, output-capital ratio, degree of use of capabilities, cost for a unit of capability placed in operation and also the effectiveness of the economic-financial activities of a customer, leading contractual ministries and departments and planning organizations.

During the preparation of draft five-year and annual plans, a review must be undertaken of the recommendations of ministries, USSR departments and the councils of ministers of union republics concerning capital construction and the reproduction of funds, from the standpoint of their effectiveness and

completeness, that is, a reflection in the draft plans of all of the principal measures for implementing the planning trends outlined earlier for changing the structure and raising the effectiveness of capital investments and construction production and utilizing capabilities and fixed capital, improving the quality and economic nature of plans created earlier, the more complete inclusion in them of the achievements of scientific-technical progress and shortening the periods for planning, construction and the use of and reimbursement for capital investments.

It should be noted that this function of USSR Gosplan began to be implemented during the final determination of the capital investment limits for the 12th Five-Year Plan. Work in this direction produced notable results in the form of a reduction in the initial planned volumes of resources for the development of production branches and for transferring them over to branches of the social infrastructure. However, this was only the "tip of the iceberg" of economic analytic work, which had to be organized in ministries, departments and republics, for the purpose of revealing the reserves available for improving the use of the production apparatus and raising the effectiveness of capital investments.

In our opinion, the second circumstance deserving of attention is the fact that during the course of a radical reorganization in planning and administering the investment process within USSR Gosplan, a basically new task must appear: planning the economic mechanism for the given process, that is, the development of measures for a planned period which will ensure interaction and coordinated functioning of all of its participants.

The planning must encompass elements of the economic mechanism, including evaluative and fund-forming indicators for the work of customer-organizations, contractors and planners; methods for the formation and distribution of the wage fund and economic incentive fund through the establishment of economic norms for the period planned; methods for forming the prices for the output of capital-forming branches (construction, machine building, construction materials industry and so forth) and planning norms used for price formation; rules which regulate the economic relationships between participants in the investment process; conditions for obtaining state centralized capital investments by means of the state budget and the formation of resources and borrowed financial resources for capital construction in the form of appropriate economic and financial norms; economic conditions for obtaining equipment and other material values, payments for above-norm personnel strength and others.

It is important to emphasize that planning for the economic mechanism of the investment process must become the concern not only of USSR Gosplan but also of the ministries, departments and branch and territorial organs of administration.

Capital construction is closely associated with the distribution of the country's productive forces. Thus an improvement in the organization of its administration must be carried out taking into account the territorial characteristics and, in the final analysis, it must become a component part of the work concerned with the distribution of the productive forces. In the area

of methodology for planning the investment process, the reorganization touches upon a number of aspects. Thus an expansion must take place in the nature of the traditional object for planning capital construction (capital investments, construction production and planning-estimates work). Moreover, in our opinion such an expansion should be carried out in three directions.

First of all, in addition to the creation and placing in operation of capabilities and fixed capital, through technical re-equipping, modernization and an expansion of existing and the creation of new enterprises, it is important for the structure of the investment process to include the repair (maintenance) and withdrawal of fixed capital. This will make it possible to plan the creation, renovation and utilization of the means of labor, that is, to implement the planning for existing production and new construction as a single entity.

Secondly, the reproduction of working positions must be combined in the structure of the investment process, since in terms of its economic meaning a working position is a sign and an element of the means of labor. As a result, it becomes possible to coordinate more closely the planning of capital investments with a change in the degree of utilization of capabilities, by staffing them with industrial-production personnel.

And thirdly, the object of planning is expanded in view of the fact that the economic mechanism and the organization for administering the investment process become such objects. Here it is appropriate to mention that not only the investment process, as an element of the productive forces, but also the conditions for its functioning, that is, elements of the production relationships active in it, will be planned.

A change in the object of planning, the functions of USSR Gosplan, branch territorial organs of administration, associations and enterprises requires an examination of the system of planning indicators and norms. Moreover, a change will take place in the structure of the computational indicators as a result of a substantial expansion in the object of investment planning and also owing to a change in the planning methodology. At the present time, it is difficult to determine the number of such indicators, but if it increases it can be viewed as an objective "payment" for better and more sound planning. At the same time, the number of investment plan indicators approved "from above" will decrease as a result of an expansion in the investment independence of lower economic elements.

A refinement is required in the structure of approved indicators for ministries, departments, associations and enterprise-customers and also some other participants in the investment process. In particular, it is required in connection with a change in the functions of USSR Gosstroy.

The experience accumulated in developing the state five-year plans, and especially for the 12th five-year period, underscores the need for substantial changes in the normative base for planning the investment process. First of all, we have in mind an examination of the system of technical-economic norms. Summary branch indicators for specific capital investments, for growth in marketable output and unfinished construction pre ruble of capital

investments, during the last year of a five-year plan, cannot serve as objective norms, either because of their economic essence or because of the impossibility of obtaining a reliable value for them prior to composing the draft plan.

It is important for the indicators for the effectiveness of the investment process, or the specific expenditures of time and resources, which differ in terms of progressiveness, scientific validity and stability for the period planned, to be included in the structure for the technical-economic norms for planning the investment process. The methods for determining them must be examined. The practice of using so-called representative objects for this purpose must be rejected, wherein already realized technical-economic solutions are embodied in promising norms and a conversion is carried out to the formation of special purpose norms based upon national economic requirements, certainly with an evaluation of the possibility of their being achieved.

At the present time, the system of planning norms is being supplemented by a complex of economic norms, which describe individual elements of the economic mechanism in the investment sphere. A list of them has been formed for various participants in the investment process. An analysis of the economic norms provided for use in light industry, the agro-industrial complex and in five industrial ministries which converted over to complete cost accounting in 1987 and norms employed at the Sumy Machine Building Association imeni M.V. Frunze and at VAZ [Volkhov Aluminum Plant] has shown that they still do not fully encompass the economic mechanism for their activities as capital construction customers. For example, the norms which regulate the economic relationships between a customer and other participants in the investment process are represented in a weak manner and the problem concerned with the conditions for obtaining labor resources for investment activities and so forth has not been worked out.

All of this underscores the fact that the formation of the structure of economic norms must be continued. But here we encounter objective difficulties in creating a system of technical-economic norms for planning the investment process. It is sufficient to state that their preparation for customers for the 13th Five-Year Plan is for all practical purposes being carried out very slowly and a decision has still not been made as to which scientific or planning organization will undertake the leading function. It is believed that in accordance with the statute this responsibility must be assigned to the Scientific-Research Institute for Planning and Norms of USSR Gosplan.

Importance is being attached to changing the methodological approach for determining the principal indicators for the investment process and to converting over to planning capital investments, the reproduction of fixed capital and capabilities, construction production and planning-research work in accordance with the program "from quality indicators to volume and quantity indicators." In particular, this signifies that the output-capital ratio, the degree of utilization of capabilities and specific capital investments must become not the result of arithmetic actions but rather the result of economic justifications. In addition, capabilities and fixed capital, their placing in

operation and withdrawal and capital investment limits are a consequence of the values for the indicators for the effectiveness of the means of labor and capital investments.

The need for planned substantiation for more large-scale and thus long-term economic and social problems requires methodical and organized unity in the pre-plan justifications for the investment process, with the development of projects for the principal trends and plans for its development.

It is believed that the chief economic work with regard to analyzing and forecasting the investment process must organizationally be carried out through the creation of programs for the development and distribution of branches, regions and productive forces. In the process, importance is attached to the system for the formation and subsequent implementation of recommendations for the construction of new installations and for investment measures at existing enterprises. This quite possibly could be a single planning-construction program or a list of plans and construction projects.

The solution for this methodological problem is of special importance if only because the task of timely preparation of the construction base in the areas of future construction and, it follows, preparation of appropriate planning documentation and the allocation of capital investments for these purposes are worth the effort.

The development of the capital investment plan for 1986-1990 revealed the chief shortcoming in planning investments for development of the non-productive sphere: failure to take into account the effectiveness of such expenditures. This led to a situation wherein the capital investments in it were viewed as a burden upon the economy and hence the "residual principle" of the allocation of resources for social needs appeared. The final solution for this problem will require the complete development of a method for evaluating the effectiveness of capital investments in the non-productive sphere.

Let us pause to discuss the methodological problems associated with planning the investment process, the solution for which is considered to be an urgent task. The first such problem is concerned with developing methods for evaluating the effectiveness of capital investments, new equipment and other economic measures. Scientists and specialists are familiar with the objective and subjective reasons why these methods have not yet surfaced. However, life persistently demands their eventual creation.

The second problem has to do with the fact that the disparity between the economic essence of and the methods for determining certain indicators used in statistics and in the planning of capital construction is inhibiting to a large degree the analysis and planning of the investment process. There are no objective difficulties insofar as its realization is concerned.

The third methodological problem -- the weak relationship between scientific and engineering planning and the development of investment plans. The rapid conversion over to continuous planning for scientific-technical progress, as required during the 27th CPSU Congress, will serve to guarantee a solution for this problem and it will aid in determining, during the course of planning,

the degree to which resources allocated for scientific and engineering development will furnish a return in the form of growth in the effectiveness of capital investments and output-capital ratio and the degree of use of capabilities by branches and complexes of branches and for the national economy as a whole.

A change in the methodology for planning the investment process and the functions of various organs of administration requires a review of the methods and technology employed in planning work. This is in turn associated with implementation of the methodological approach "from quality indicators to volume and quantity indicators" and it affects practically all aspects of an investment plan (reproduction of capabilities and fixed capital, capital investments, construction production and planning-research work).

In addition, an intensification of economic and analytic work requires the development of planning computations, as a special methodological set of tools and also as its own technology, which will be "built into" the existing planning technology. The approved methods which we presently have at our disposal for economic analysis of the investment process are only for enterprises and associations. The creation of such methods for branches, regions, complexes of branches and for the national economy has only just commenced.

There is still one other trend in methodological work --the formation of a system of methods for planning in the investment sphere. It is believed that here large difficulties remain to be overcome as a result of almost the complete absence of active analogs.

The development of new and a review of existing methods and technologies for planning the investment process are impossible in the absence of extensive use of information-computer equipment and communications equipment. Organizationally, this work is being carried out within the framework established for the creation of ASPR [automatic system for planning computations] and ESPKS [unified system for the planning of capital construction].

The specifics of the investment process are such that when solving any one problem the interests of many organizations and collective come into play during the course of developing plans. A need arises for coordinating these interests and adopting compromise solutions which satisfy each one. Their collective development requires special organization; it cannot be realized in the absence of special technical and methodological means. Unfortunately, this aspect of the use of computer equipment in planning capital investments continues to remain in the "background" and this is resulting in national economic losses owing to the handing down of decisions which leave a great deal to be desired.

The realization of these trends in reorganizing the system for administering the investment process is fully possible only if a number of measures are carried out in the sphere for administering the national economic complex. It must be carried out in a rather rapid manner and by stages. The latter is explained by the complexity of the task, the extent of the changes outlined,

the nature of the causal-investigative relationships between the reorganizational trends and the need for carrying out experimental tests on the more important elements of the future system for administering the investment process.

In our opinion, the starting point must be that of determining the functions and principal tasks for administering the investment process, carried out and solved by organs of administration at various levels (central, branch, territorial, local). The appropriate documents must be prepared during the current year. During the second stage (in 1987), the plans call for the development of specific trends for improving the planning methodology, organizational structures and the economic mechanism for administering capital construction.

In accordance with the results of this work, a draft plan can be prepared for measures aimed at bringing about a comprehensive change in planning, organizational structures and the economic mechanism for administering the investment process, in which the trends for further improving each element of administration must be defined. During this stage, developmental work must be carried out within the ESPKS framework on the methods and technology for planning capital investments, production construction and planning-research work, which implement the planned changes in planning methodology and in the organizational structures and economic levers and stimuli for administering capital construction.

During the third stage, the methodology, planning methods and technology and also the organizational structures and economic mechanism for administering the investment process will be defined more precisely. Following this, the necessary legal and methodological documents will be issued.

For the practical working out of the principal approaches to be employed for the all-round reorganization of administration of the investment process, two groups of experiments should ideally be carried out. The first -- for testing new organizational structures and elements of the economic mechanism in the investment process in one or two regions (union republics) and in a number of ministries. The second -- for working out elements of the technology for planning capital construction within the ESPKS framework in a number of ministries and regions.

As a result, it will become possible to enter the 13th Five-Year Plan with a substantially reorganized economic mechanism in the investment sphere and, in addition, to make extensive use of its principal elements when forming the annual plans for economic and social development for the 12th Five-Year Plan and the five-year plan for 1990-1995.

The level of scientific support for the reorganization must be raised. At the present time, we are still lacking executive agents among the scientific organizations and collectives for all of these trends and insufficient scientific forces are available for studying the problems of reorganization on the whole or for coordinating the work of the executive agents.

Owing to the exceptional importance attached to the problems examined above, an institute of USSR Gosplan should be tasked with carrying out a special study on the complex of questions associated with the economics, planning and administration of the investment process.

FOOTNOTE

1. Materials of the 27th Congress of the Communist Party of the Soviet Union. Moscow, Politizdat, 1986, p 242.

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INVESTMENT, PRICES, BUDGET, FINANCE

PRICE POLICY IN ECONOMIC RESTRUCTURING, QUALITY SEARCH VIEWED

Machinery, Equipment, Instruments

Moscow EKONOMICHESKAYA GAZETA in Russian No 50, Dec 86 p 17

[Unattributed article: "So That the Price Will Correspond to the Quality"; first paragraph is source introduction, last paragraph is source editorial note]

[Text] In 1986 the new procedure for providing preferential incentives for new generations of technology and the basic principles governing the application of markdowns on the wholesale prices of output that was to be removed from production went into effect (EKONOMICHESKAYA GAZETA, No 3). The effect that this had on the producing of highly effective machinery, equipment, and instruments with the highest category of quality can be judged from the data provided by the analysis of the practice of applying the incentive markups on the wholesale prices of output with the highest category of quality and the markdowns on the prices for articles with low quality. The following article cites that data, with comments from USSR Goskomtsen [State Committee on Prices].

In 1986 USSR Goskomtsen approved more than 3000 wholesale prices of new and modernized machines, pieces of equipment, and instruments, including approximately 2000 with incentive markups. The total quantity of newly assimilated technology increased by a factor of almost 1.5. The total number of incentive markups increased by more than 15 percent and came to more than 600 million rubles.

However, despite the noticeable increase in the markups, no substantial shifts occurred in raising the technical level of the output: 40 percent of the new machines and equipment submitted by ministries for approval of wholesale prices were characterized by the acceptance commissions as output whose technical-economic indicators are at the level of quality category I and which are inferior to the best models with regard to productivity, reliability, and economy. These ministries include Minstroydormash [Ministry of Construction, Road, and Municipal Machine Building], Minlegpishchemash [Ministry of Machine Building for Light and Food Industry and Household Appliances], Minavtoprom [Ministry of the Automotive Industry], and Minpribor [Ministry of Instrument Making, Automation Equipment, and Control Systems].

The assimilation of new technology continues to proceed not at the expense of installing in production fundamentally new machinery and equipment, but basically at the expense of the partial modernization of output that was previously produced. Most of the new articles differ from the previously assimilated ones by insignificant improvements.

The articles recommended for the highest quality category, not infrequently, prove as early as the first certification not to conform to those requirements. For branches of machine building, the share of the output for which the decision was made not to prolong the action of the markups (because of its certification in quality category I) came to 15.6 percent. The situation is especially unfavorable in this regard at Minselkhoz mash [Ministry of Tractor and Agricultural Machine Building] and Minzhiv mash [Ministry of Machine Building for Animal Husbandry and Fodder Production], where this indicator is 78.7 and 77.8 percent respectively.

One also encounters situations when, after the cancellation of the highest quality category, individual enterprises continue to receive incentive markups from the customers. Pricing agencies, on the basis of the results of an inspection, confiscated for payment to the budget income 504,600 rubles of illegally received markups for 36 articles with a canceled Quality Seal that were manufactured by 23 enterprises. The greatest number of violations were committed by Minpribor enterprises.

Individual enterprises attempt to establish high prices and markups without substantiation. Approval of the incentive markup was refused for modernized mixer, model 15104M; saw frame R63-4B (Minstankoprom [Ministry of the Machine Tool and Tool Building Industry]); modernized sifter SMA-267A (Minstroydormash); and many other articles as a result of the insufficient economic benefit from their application.

In a number of instances the enterprises, upon receiving the Quality Seal and the incentive markup, cease "worrying" about the quality of output and produce equipment for which the technical-economic features proved to be lower than those stipulated in the technical-normative documentation and that were accepted when substantiating the price and the markup.

The new procedure of applying markdowns on the wholesale prices is going in effect, as is generally known, gradually, as the output in quality category I is certified. Thus, the NII [scientific-research institutes] and the KB [design bureaus] that are the developers and manufacturers have been granted a definite period of time (until the next recertification of the output) to assimilate the new technology that corresponds to the world level. If, however, during that time, new output of a high technical level and quality has not been created, economic sanctions (markdowns on the wholesale prices) will go into effect.

According to computations made by USSR Goskomtsen, the total amount of markdowns for the output of 11 machine building ministries in 1987 will be more than 100 million rubles, and will increase in 1988 to 350 million rubles. Starting in 1989 one can expect a reduction in the markdowns as a result of

the assimilation -- instead of output with quality category I -- of new machinery, equipment, and instruments that correspond to the world level.

As a result of the preterm recertification of output in 1985, out of the total number of articles with quality category I, only 6 percent will be recertified in 1986, 20 percent in 1987, and 74 percent in 1988-1989.

As has been demonstrated by inspections carried out by pricing agencies and financial agencies, in half the instances of certification of output after 1 January 1986 for quality category I, the markdowns (in violation of the established procedure) were not transferred by the enterprises to the budgetary income, and the confiscation of the funds was carried out in a compulsory procedure by USSR Minfin [Ministry of Finance] and pricing agencies. This attests to the absence, in a number of branch ministries, of the proper supervision of the organization of the certification of output and the prompt application of the markdowns on wholesale prices of output in quality category I and output that was not certified by the established deadlines.

Editorial note: Under the new conditions of the fight to improve the quality of output, the position taken by the managers of the enterprises in the machine building ministries that were mentioned deserves the most serious censure. The editorial office hopes to receive answers concerning the taking of effective steps to eliminate the shortcomings in the production of fundamentally new machinery and equipment.

Computed, Actual Growth Rates

Moscow EKONOMICHESKAYA GAZETA in Russian No 3, Jan 87 p 14

[Article by N. Petrakov, deputy director, Central Economic Mathematics Institute, USSR Academy of Sciences, corresponding member, USSR Academy of Sciences, and D. Lvov, department chief, doctor of economic sciences, professor: "Rate Quality"]

[Text] In the speech given by CPSU Central Committee General Secretary M. S. Gorbachev at the conference at the CPSU Central Committee on questions of the introduction of state acceptance (14 November 1986), it was emphasized that the acceleration must proceed only by way of assuring high quality and better output with greater productive capabilities that guarantee the introduction of labor-saving and resource-saving technological schemes.

The improvement in the quality of output and services, directly or indirectly, is equivalent to an increase in their quantity (with quality remaining fixed). However, this theoretically indisputable principle is being ignored by the existing practice of economic measurements.

On the Basis of Fixed Prices

How are the rates of economic growth measured? Today, in order to do this, one uses so-called fixed prices. Let us ascertain wherein the essence of those fixed prices lies.

Let us assume that the total output of a particular branch of industry in 1985 came to 10 billion rubles, and in 1986 reached 11 billion rubles. It is easy to compute that the total rate of production increase during the year is equal to 10 percent. However, that indicator has "absorbed" both the increase in the production volumes and the changes in the article prices that might have occurred during the year. In order to separate those process and ascertain which part of the output increase was caused by the material-substantive increase in the production of output, and which part was caused by other factors, statisticians employ a special procedure: they total up the volumes of production in 1985 and 1986 in one and the same prices (for example, in 1985 prices) and thus receive the increase rate in so-called comparable or fixed prices.

Let us assume that, in our example, that rate will be 8 percent. That will mean that, from a billion rubles of increase in production, the branch "earned" 200 million rubles by the increase in prices of its output. Thus, it is possible to isolate and to evaluate quantitatively different factors in the dynamics of social production and its individual branches. Therefore this statistical procedure, unconditionally, is beneficial for economic analysis.

But is it possible, by using the instrument of fixed prices, to receive a reliable description of the qualitative aspect of the rates of development of the branch or the national economy? This is not an idle question, since, over a period of decades, many economic managers have developed the stereotypical way of thinking: rates at any price! However, the treatment of the indicator of output increase rates as a fetish and the use of that indicator without considering the economic content performed a disservice.

The fact of the matter is that the orientation on the increase of production in fixed prices is primarily putting the emphasis on quantitative growth. The indicator of growth rates in its present form does not provide an answer to at least two vitally important questions: at what price was the growth achieved, and what are the dynamics of the quality of the output being produced? If the quality of the output, for example, the service life of an automobile tire, has increased by a factor of 1.5, then that will not find reflection in the indicator of the growth rate of the tire industry, just as it will not find reflection under conditions when that indicator is reduced.

But this does not end the illusions that can be created by this indicator. The growth rates can "rise" as a result of the so-called structural shifts by means of the "washing away" of the inexpensive items and the changing over to expensive articles only. Every branch, every enterprise, is perfectly aware of which production assortment is profitable, and which is not. The problem is that, with the present system, that which is profitable to the enterprise is by no means always profitable to society.

Furthermore, for computing the growth rates, fixed prices make economic sense only for the group of articles that is being compared. But the reality of economic development consists in that, under the conditions of accelerated scientific-technical progress, there is a rapid renovation of the output. The "comparable" group of articles becomes narrower, and the artificial methods of

converting the new output to a form that is comparable with the previously produced articles provide the opportunity to "warm one's hands" by distorting the real effectiveness of the new technology.

With a Consideration of All the Factors

What, then, are the real paths for eliminating the existing lack of conformity in measuring the real rates of acceleration? It is necessary to keep two problems in mind here.

The first consists in the need for the more complete reflection in those rates of the socially beneficial results of production. Under the conditions of the socialist society, a natural gauge of the beneficial results is the degree of satisfaction of the social and personal needs. The quantitative evaluation of that indicator is at the present time the object of intensive research by economists, sociologists, philosophers, psychologists, and mathematicians. Substantial progress has been noted here.

Nevertheless the resolution of this complicated problem cannot be considered to be completely over. But it would be incorrect to postpone its resolution for an indefinite amount of time. Obviously, it would be more substantiated to use for these purposes the existing gauge of the beneficial result in the national economy — the country's national income — and, as the methodology and practice of computing it improve, to make the corresponding adjustments.

One of these adjustments is linked with the use of current prices. Incidentally, this is being done already in the practice of the statistical measurement of the economic growth rates of the national economy as a whole. At the upper level of administration, current prices make it possible more completely to reflect the real dynamics of the beneficial results than can be done with the aid of fixed prices. Of course, it should not be forgotten at such time that, by its nature, an increase in the national measure, even an increase measured in current prices, will characterize not so much the degree of the real achievement of the social goals of the development of the economy, as the level of increase in the material opportunities for satisfying social needs. Subsequently this lack of conformity will be eliminated as the qualitative parameters of the development of the economy are reflected more completely in that indicator.

But can one feel that under this condition we would be able to resolve completely the problem of measuring the acceleration of socioeconomic development? Obviously, it would be incorrect to think that way. In addition to the qualitative aspect of evaluating the beneficial results, it is no less important, when computing the rates, to take into consideration the question of the price at which the growth of the economy is achieved. Herein lies the essence of the second problem. It may prove, for example, that the high rates of increase in the national income are achieved by higher growth rates for expenditures of production resources.

Statistics attests to the fact that during the past 20 years our country's national income increased by a factor of 2.76. But its growth was accompanied by extremely unhomogeneous dynamics in the expenditures of resources. For

example, the number of workers in material production increased during that period by a total of 26 percent, whereas the production assets increased by a factor of 4.58. As a result the increase in labor productivity was accompanied by a drop in the return on investment (national income per ruble of production assets). Whereas the average annual rates of drop in the return on investment in the 8th Five-Year Plan were equal to 0.3 percent, in the 10th they already came to 3.1 percent. In the 11th Five-Year Plan the rate of drop in that indicator was somewhat reduced, and came to 2.5 percent. In addition, the period being considered continued to be typified by outstripping rates of drop in the return on investment, as compared with the rates of increase of labor productivity.

What, then, was the overall result? Did the gain from the increase in labor productivity cover the losses from the reduction in return on investment?

In order to answer these questions it is necessary to refer to the total dynamics of the resource expenditures, in which dynamics the various resources are reduced to a single denominator. For this purpose one uses the appropriate factors that reduce the expenditures of past labor to a single labor equivalent that can be measured against the expenditures of live labor. Such methods of reduction have been used for a long time in the practice of providing technical-economic substantiations for various alternatives of capital investments and new technology. With their aid it becomes possible to trace the dynamics of the total resource expenditures during the period of time that is being considered. During the past 20 years they increased by a factor of 2.2. That figure is directly comparable with the increase in the total result — the increase in the national income during the same 20 years. As we can see, if the result increased by a factor of 2.76, then the expenditures to achieve it increased by a factor of 2.2. Thus, the extent to which the growth rates for the result exceed the expenditures comes to a factor of 1.2, which attests to a slight increase in the effectiveness of social production.

It is another matter that this growth proves to be in no way the growth that one should expect from comparing only the dynamics of the country's national income. The indicator of the increase in national income reflects the growth of the gross result of the development of social production. But from the position of the qualitative aspect of the rates of economic growth, we should be interested not in the quantitative gross indicators, but in the net results of the development of production, that is, the increase in the gross indicators minus the increase in the expenditures of resources which were consumed to achieve them. And this, in essence, means that we must measure the quality of the rates by the increase in the net national-economic results, or by the national-economic effect of the development of production. Under the conditions of acceleration, this is primarily the increase in the national income or net output, which is obtained as a result of the intensification of production.

Computations based on official statistical information indicate that in 1985, this national-economic effect was equal to 28 billion rubles, which constituted, with respect to the annual increase in the national income, 48

percent. That means that more than half its increase (52 percent) was achieved as a result of the extensive factors of economic growth.

That, in our opinion, is how one should approach the evaluation of the quality of the rates of development of the economy as a whole. But now it is necessary to answer another question -- it is possible to use this approach also at lower levels of administration: the intermediate levels of ministries and departments, and the primary levels of associations and enterprises? Obviously, one could give an affirmative answer to this question if the prices corresponded to the level of the socially necessary expenditures, if they reflected the social benefit of the output for the consumer. That does not exist today.

Computed and Actual Effect

The existing pricing practice is oriented toward the producer, toward covering the expenditures for producing the output, and for the time being reflects to a very small degree the effectiveness and quality of that output. Therefore, at the primary and intermediate levels of administration, in order to compute the quality of the rates of development of production one could use the so-called computed-planning prices. In this instance one guarantees the methodological unity in measurements of the qualitative aspect of acceleration at all levels of administration.

What are the computed prices? They are, in essence, the existing prices that have been adjusted to allow for a change in the qualitative parameters and the economic effectiveness of the output being produced, that is, the price with markup (markdown) for effectiveness and quality. Many years of practice in certifying output for the Seal of Quality have accumulated considerable experience in this regard. In addition to the positive aspects, one has also seen clearly revealed the negative aspects of using the instrument of price markups and markdowns. The latter were primarily linked with subjective factors in computing the economic effectiveness from the use of output with improved quality. Not infrequently the high computed effectiveness did not correspond to that actual effectiveness that the consumer received. That was the economic mechanism, and that was the tradition.

Now, when, in conformity with the decisions of the 27th CPSU Congress, an important and responsible stage of fundamental restructuring of the economic mechanism has arisen on the paths of the intensification of production, the state of affairs with the objectivizing of the measurement of effectiveness can be substantially improved. For that purpose, extremely important economic-organizational prerequisites have been created. We have in mind first of all the introduction of state acceptance.

In conformity with the decision of the CPSU Central Committee and the USSR Council of Ministers, the state acceptance system has been given the responsibility of carrying out the important tasks of guaranteeing a stable, high technical level and quality of output. In essence, those are the functions of the generalized consumer. But for the time being they are limited to the legal-organizational aspect of the quality control of output. In our opinion, in the future it would be extremely important to expand the

functions of the state acceptance system, making it responsible for participating in resolving the question of the introduction of markups and markdowns on the prices depending upon the quality and effectiveness of the output being produced. We realize that this proposal is controversial. But this procedure would make it possible to increase substantially the objectivity of the computations of the effectiveness of new output, and the benefit that actually accrues to the consumer of that output.

Simultaneously it would guarantee the opportunity to change over to the measurement of the quality of the acceleration rates on the level of associations, enterprises, and branches. For this purpose it is possible to introduce a new procedure for distributing the proceeds from the sale of output according to a delivery plan based on contracts. From the proceeds, in addition to the payments to be made to the budget, the settlements on bank loans and with suppliers, and the payments to pay the basic wages and to compensate for the wear and tear of the fixed production assets, one must deduct the expenditures for the production of defective output, as well as the expenditures to bring that defective output up to the delivery requirements stipulated by the appropriate standards and specifications.

The actual volume of proceeds increases by the total markups or decrease by the total markdowns in conformity with the results of the state acceptance system. The amount of proceeds remaining after all the settlements is entered as the cost-accounting income of the association or enterprise. On the basis of the amount of the cost-accounting income, then, one can compute the rate of production growth. For that purpose it would be desirable to use the relationship between the cost-accounting incomes during the two periods of time being compared (for example, one year to another year, or one five-year plan to another five-year plan).

That would make it possible even now to restructure the entire system of economic incentives in conformity with the tasks of improving the quality of the output and the effectiveness of production. One should put at its basis the principle of the increase in labor productivity with a consideration of the quality of the growth rates. At the first stage of this restructuring one could preserve a double system of measuring the volumes of production: in the existing methodology and with a consideration of the markups and markdowns for effectiveness and quality. The second system of measurements in this instance would serve the cost-accounting system of formation of the wage fund and the formation of the economic incentive funds.

As the experience of conducting state acceptance is accumulated, one could carry out the transition to the second stage -- the introduction of a single system of economic measurements of the quality of the rates of acceleration and economic encouragement of production. At that stage, obviously, it would also be sensible to carry out the transition to a single system of prices that are constructed on principles of including in those prices a consideration of the social, consumer value.

Machine Building

Moscow EKONOMICHESKAYA GAZETA in Russian No 5, Jan 87 p 17

[Article by L. Rozenova, deputy chairman of USSR State Committee on Prices, under rubric "Restructuring the Economic Mechanism": "Price and the Quality of Technology"]

[Text] By Encouraging Renovation

Planned pricing acts as an important element of the economic mechanism. The price must be an objective economic gauge that supports the interests both of the manufacturer in the production and the consumer in the application of highly effective technology. A number of profound articles have been devoted to these problems in this weekly. I would like to continue the discussion on this very important topic.

In the content of the concept "quality of output" new facets have recently appeared. The articles with high quality include only those whose technical level corresponds to the best worldwide achievements. The new technology must be so effective that it will be profitable for the consumer to use it despite the increased expenditures.

The pricing agencies carry out work to improve the methods of determining the wholesale prices, with the intention of creating more favorable economic conditions for the enterprises that assimilate new, modern output. For purposes of expanding the production of highly effective machinery, equipment, and instruments with the highest category of quality, in 1986 a new procedure went into effect, providing for encouraging the production chiefly of new generations of technology to be manufactured to replace imported articles, which would be manufactured with the use of discoveries and inventions. When establishing the prices for this technology, the incentive markup can be as much as 30 percent of the wholesale price, depending upon the economic effectiveness of the technology. At such time, the markup takes into consideration as much as 70 percent of the benefit; the rest of the benefit is redistributed to the benefit of the consumer and creates in him an economic self-interest in using new machines and machinery. For other types of new technology with the highest category of quality, including modernized technology, the markup takes into consideration as much as 50 percent of the benefit, but the size of the markup cannot exceed 15 percent of the wholesale price.

In addition, provision has been made for additional measures to encourage those who have already assimilated output with the state Quality Seal. The previously employed procedure limited the effective periods of the incentive markups for output with the highest category of quality to two certification periods. Starting in 1986 those markups are retained for the entire period that the state Quality Seal is in effect.

Thus, the Alma-Ata Heavy Machine Building Plant in 1986 assimilated a triple-roll mill for hot rolling of blanks for circular-section parts. With regard to its productivity, this part-rolling mill replaced more than ten lathes that

used to process parts with those configurations, and guaranteed the introduction of a technological scheme with a small amount of waste products. An incentive markup onto the wholesale price of the mill was approved in the amount of 51,6000 rubles (30 percent). This markup took into consideration approximately 20 percent of the economic benefit from the application of the mill. The rest of the benefit remains with the consumer and provides an economic advantage when operating the new equipment.

Here is another example. In 1986 an incentive markup was approved in the amount of 30 percent of the wholesale price of a robot machine with minicomputer that had been assimilated by the Kirovakan Autogenous Machine Building Plant for heat cutting. The new machine, in its modular-unitized model, has a cutting speed that is 3.7 times faster than the previously employed machine for the figured and rectilinear layout of sheets made of low-carbon and low-alloyed steels. In addition the machine's materials intensity has been reduced. The markup also takes into consideration 20 percent of the benefit from its application.

Nevertheless, despite the intensification of the incentives for the production of highly effective output, the machine building ministries and their subordinate planning and designing organizations and enterprises have been moving slowly to change over to the creation of new generations of technology. Technical progress continues chiefly to proceed not along the path of putting into production fundamentally new types of machinery and equipment, but along the path of the partial modernization of the output that was previously produced. Most of the new machines and machinery is distinguished from the ones previously assimilated by slight improvements in the parameters, but this does not make it possible to establish high incentive markups for them. Three-fourths of the output that was assimilated for the first time in 1986 has markups with a consideration of its technical level and economic effectiveness which do not exceed 10 percent of the wholesale price.

The Ruble in the Role of Expert

Under conditions when economic norms are in effect, the managers of enterprises that produce technology have begun to use with increasing frequency the expressions "so that it will be advantageous for the plant" and "so that the ruble can act in the role of expert." In principle, the posing of the question in this way is justified. However, it must also be kept in mind that the production of new technology must be advantageous to the manufacturer enterprise only when that technology is also advantageous to the consumer.

The cost-accounting interests of the manufacturers of new output and its consumers are, to a definite degree, contradictory. This contradiction is removed only if one creates and assimilates that technology which, with a consideration of the price level, actually produces a benefit to the national economy which is sufficient to satisfy the interests both of the manufacturer and the consumer.

Pricing practice points out that, instead of creating this kind of technology, enterprises frequently attempt to reinforce their economic position by

overstating their prices. For example, the Darasun Mining Equipment Plant began in 1986 to produce a mine drilling unit that provides an increase in productivity, as compared with its analogue, with a factor of 1.25 while increasing the drilling depth by a factor of 1.14. The use of the new drive has made it possible also to reduce somewhat the expenditures for electrical energy when operating the unit. In addition, proceeding from the high expenditures during the unprepared production and application of the temporary technological scheme, the plant defined the draft version of the price of the unit at a level 2.7 times higher than the price of the analogue. It is obvious that with that price the new unit will be unprofitable for the consumer. Therefore the approved price provides for the condition of being "profitable for the plant" only if there is a lowering of the production costs as a result of the improvement of the technological scheme and organization of production.

As was noted at the June 1986 Plenum of the CPSU Central Committee, "the artificial overstatement of prices does not cure economic diseases, but only corrupts the workers and impedes technical progress. Inflated prices that are based on the expenditure approach cover up shortcomings in the technological scheme and the organization of production and give rise to a disdain for the search for efficient methods of running the business."

Thus, it is necessary to guarantee the outstripping growth of the effectiveness of the new technology with respect to the level of prices for that technology. The ruble in the role of expert must be used both by the manufacturer and the consumer of the output.

It is necessary, however, to note the low responsibility borne by certain consumers when coordinating the economic benefit. The pricing agencies frequently receive unreliable information about that benefit. For example, Minkhimmash [Ministry of Chemical and Petroleum Machine Building] submitted greatly overstated information concerning the economic benefit from the use of the RP-1600 industrial robot. The benefit had been "coordinated" with the Karacharovskiy Machinery Plant, which, as the inspection pointed out, had not ordered those robots and did not have any need at all to use them. The managers at the Karacharovskiy Plant, thus, had acted as an accomplice in supplying unreliable information and obviously must bear the party responsibility for that action.

The Manufacturer's Responsibility

The press has printed recommendations that, when wholesale prices and markups are being approved, consideration be taken of the actual benefit to be derived from the new technology. It must be noted that prices and markups are approved prior to the beginning of production, when the actual operational data is still nonexistent. Therefore it is not always possible to take into consideration the actual benefit when determining the price. In addition, it is necessary to make it a broader practice to carry out subsequent monitoring of the benefit, especially if one is dealing with complicated expensive technology.

Inspections have shown that individual enterprises, after receiving an incentive markup with a consideration of the benefit that has been coordinated with the consumer, stop worrying about the quality of the output and then produce equipment for which the actual indicators are lower than those stipulated in the technical-normative documentation.

Thus, a wholesale price in the amount of 18,600 rubles and a markup of 2300 rubles were established for the KLK-11 knitting machines produced by the Leningrad Vulkan Plant of Minlegpishchemash [Ministry of Machine Building for Light and Food Industry and Household Appliances]. An inspection by pricing agencies in 1986 of the actual effectiveness during the operation of those machines at a number of knitting factories showed that, because of design shortcomings and the low quality of manufacture of individual assemblies, the machine cannot be used for the purpose for which it was designed, the knitting of garment lengths with the interweaving of "openwork Jacquard." According to findings at the factories, the machine is also inconvenient to service. As a result of the fact that the actual consumer properties of these machines fail to conform to the indicators that were assumed when computing the economic benefit and the incentive markups, and because of the low quality of their manufacture, USSR Goskomsen [State Committee on Prices] in June 1986 canceled the markups on the wholesale prices of these machines and confiscated from the Vulkan Plant, for payment to the state budget, markups in the amount of 161,000 rubles for all the 70 machines that had been produced.

In conformity with the statutes governing the shipments of output intended for technical-production use, in accordance with critical comments by the customer, the manufacturer is obliged, at his own expense, to eliminate the shortcomings of the equipment and pay a penalty in an established amount. The customer can return the rejected equipment and receive compensation for the entire amount of money paid (prices and markups).

However, the consumers of machine building output make little use of the rights granted to them for monitoring the prices and quality of the new technology. For example, an inspection carried out by USSR Goskomsen in 1985 showed that, out of 54 presses delivered by the Karpatpressmash Plant in 1983-1984, 40 had not been put into operation or were operating unsatisfactorily because of serious production defects. However, not a single consumer of that press had made any economic claims against the manufacturer!

A new procedure went into effect in 1986 for applying markdowns to the price of output certified after 1 January 1986 in quality category I. The developers and manufacturers of new technology have been granted time until the next recertification of output for the assimilation of new technology that corresponds to the highest category of quality. But if during that time they do not create new output with a high technical level and quality, then economic sanctions (markdowns on wholesale prices) will go into effect.

A random study of 50 enterprises that was carried out by USSR TsSU [Central Statistics Administration], USSR Goskomsen, USSR Minfin [Ministry of Finance], and Gosstandart [State Committee for Standards] showed that, out of a total number of articles in quality category I, 6.3 percent must be recertified in 1986, 20.1 percent in 1987, and 73.6 percent in 1988-1989.

Thus, for the time being, the mechanism of applying markdowns to the prices of output that was certified in quality category I, in essence, acts as a preventive measure. However, this mechanism is already "revving up," and it will have to be taken into consideration by those who have been producing obsolete output. The total amount of markdowns on output in quality category I and output that had not been certified by the established deadlines, which amount was transferred to the budget, constituted during the first half of 1986 15.9 million rubles (during the same period in 1985, 2.6 million rubles).

Improving Pricing

At the June 1986 Plenum of the CPSU Central Committee, M. S. Gorbachev mentioned the "key importance of pricing in developing the economical methods of administration" and the vital need to improve it. The price restructuring proceeds from the need to have a more complete reflection in them of the socially necessary expenditures and the quality and effectiveness of the output. The improvement of pricing is closely linked with the intensification of the economic levers and incentives, and with the improvement of the system of administration and the management methods with a consideration of self-financing and complete cost-accounting. Price restructuring must be carried out by stages so that the complete resolution of this problem will be coordinated with the development of the plan for the 13th Five-Year Plan.

As for pricing for the new technology, this is a question for today.

USSR Goskomtsen, with the participation of the interested ministries and departments, has developed measures to intensify the role of prices in the assimilation of new technology. These measures stipulate that factors that must have determining importance when forming the wholesale prices of the new machines and equipment are the technical level and the economic benefit that results from the improvement of the output's consumer properties. There has been an increase in the limit and wholesale prices in encouraging a reduction of expenditures during design and production, and an expansion of the practice of employing contract prices.

At the present time, the centralized establishment of prices is combined with sufficiently broad rights concerning their approval by republic and local agencies, ministries (departments), enterprises, and associations. USSR Goskomtsen continues to retain the factions of establishing the prices of the final articles, the output used throughout industry as a whole, and the base types of output which exert a substantial influence upon the formation of the level of the social costs of production in the national economy and the public's real income.

In the course of the economic experiment, there has been an expansion of the rights of the production associations and enterprises which approve the contract wholesale prices of experimental models (consignments), single-production output, semifinished goods, and assemblies and parts to be used within a department; the additional payments (markdowns) for a change in the components provided; fulfillment of the customer's additional requirements to change the consumer properties; etc.

At the same time it must be said that the expansion of the rights granted to enterprises and organizations to approve prices has aggravated the question of the intensification of supervision of their correct determination and application. The earned funds must be the source of the additional profit. However, as has been demonstrated by inspections carried out by pricing agencies, there have been serious violations of the procedure of establishing and employing prices both on the part of the ministries and departments, and on the part of the associations and enterprises.

At the present time proposals are being developed to intensify the supervision of the observance of state price discipline, to increase the responsibility borne by the enterprises and associations for the correct application of prices, and to intensify the economic sanctions.

Under the new management conditions, especially in the branches that have been converted to complete cost accounting and self-financing, there has been an objective increase in the economic role of profit and the self-interest of the enterprises in increasing that role. However, the increase must be carried out not at the expense of an unjustifiably high price of output, but by means of an increase in the effectiveness of production, as well as the assimilation of the production of that kind of technology whose introduction guarantees an increase in the effectiveness of the national economy.

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INDUSTRIAL DEVELOPMENT, PERFORMANCE

ENTERPRISE RENOVATION, RETOOLING INTERRELATIONSHIP VIEWED

Moscow PLANOVOYE KHOZYAYSTVO in Russian No 11, Nov 86 pp 43-49

[Article by A. Tsygichko, head of a sector at the Scientific Research Economic Institute under USSR Gosplan, doctor of economic sciences: "On the Correlation of Production Reconstruction and Retooling"]

[Text] Acceleration of the turnover of fixed productive capital in kind has become an important element in the strategy of long-term economic development. The June (1986) Plenum of the CPSU Central Committee noted that "we can attain a significant rise in qualitative economic indicators, primarily, growth of labor productivity and output-capital, if we accelerate the renovation of productive capital, get rid of its obsolete part more rapidly, and use technically modern machinery and equipment more intensively, including through an increase in the shift coefficient" (1).

Preparing organizational, legal, planning-methodological, financial, and other prerequisites for accelerating the renovation of obsolete fixed capital, it is very important to know as much as possible how the renovation process, which has not yet become an object of planning to a sufficient degree, occurs and changes. Let us turn to the experience of industry.

If we judge this process according to the coefficients of withdrawal of fixed capital (ratio of the full value of fixed capital withdrawn during the year because of dilapidation and wear to its entire amount at the beginning of the year), the lack of progress becomes obvious. Moreover, coefficients attest to the low and even declining intensity of renovation of existing fixed capital. For example, in 1976-1980 the average annual withdrawal coefficient was 1.44 and in 1981-1984, 1.28.

The tendency toward a slowdown in the turnover of fixed capital in kind affected its passive part to the greatest degree. The average annual coefficient of withdrawal of buildings and installations declined from 0.58 to 0.43 respectively. We would like to note that right up to 1976 it reached 0.7 to 0.8. The average annual coefficient of withdrawal of machinery and equipment declined much less: from 2.4 in 1976-1980 to 2.28 in 1981-1984.

It is correctly considered that withdrawal coefficients do not reflect the rate of turnover of means of labor in kind in a sufficiently precise manner.

However, a calculation on their basis of the standard-actual average life with due regard for the rates of increase in fixed capital reveals the same tendencies. For example, in 1976-1980 the rate of turnover of all fixed industrial-production capital was 25 years and in 1981-1984, 28 years. For equipment this indicator changed from 18 to 20 years and for buildings and installations, from 38 to 45 years. Such tendencies are characteristic for the overwhelming majority of industrial sectors.

It seems that these meaningful changes are directly connected with shifting the center of gravity in existing production restructuring to retooling, primarily, to the detriment of reconstruction. The share of retooling in the capital investments of industry in the last 12 years increased almost sevenfold and reconstruction decreased to almost one-half. Whereas at first expenditures on reconstruction exceeded expenditures on retooling more than fourfold, now, conversely, they have decreased to one-third.

Retooling requires much smaller expenditures on construction and installation work than reconstruction, during which the passive elements of fixed productive capital are renovated to a greater extent. The demand that the share of construction and installation work, as a rule, does not exceed 10 percent of the capital investments for these purposes is one of the characteristic signs of retooling. Reconstruction allows more sizable expenditures on restructuring passive elements, including the construction of new buildings and installations instead of those liquidated on the territory of an existing enterprise, whose further operation, according to technical and economic conditions, is considered inadvisable. It can be assumed that the slowdown in the liquidation of obsolete buildings and installations reflects primarily the "erosion" of fundamental reconstruction, that is, the form of the most thorough restructuring of existing production. Furthermore, it should be kept in mind that the level of withdrawal of buildings and installations depends on the removal of entire enterprises, projects, and large units from service. Evidently, this process is also dying down, if to judge, for example, from the rapid decline in the share of expenditures on the maintenance of capacities.

Can the noted shifts in the renovation process be considered a positive, progressive phenomenon? Should they be preserved and intensified with the expected acceleration of the withdrawal of obsolete fixed capital and will such an acceleration take place under the existing technological structure of withdrawal of means of labor? It seems that not. The envisaged acceleration will inevitably encounter the need for a more active restructuring or liquidation of obsolete buildings and installations, which can no longer meet, in terms of their capacity and operating characteristics, power-saturated, highly automated, flexible, new systems of high-precision machines and present working conditions. Whereas during retooling individual machines or units in the existing machine system are replaced, during reconstruction it becomes possible to more fully realize new technical solutions and not to adapt new equipment to existing production conditions.

During retooling the most obsolete and worn out equipment is replaced, but all technology, whose renovation [replacement] implies reconstruction, is not revolutionized. This is confirmed by the fact that an intensification of the

role of such a form of renovation of the production apparatus is accompanied by a decrease in the residual value of disused fixed capital. For example, in industry the share of residual value of disused fixed capital in its full value, on the average, was reduced from 34 percent in 1966-1970 to 14 percent in 1981-1984. Of course, the constant shortening of depreciation periods could have had some effect there. However, this was not the decisive factor, because the actual periods of writing off the value of industrial-production fixed capital were shortened by only 7.4 percent. At the same time, the share of residual value decreased by 59 percent, or 2.4-fold. The fact that the ratio of expenditures on major repairs to the full value of fixed capital declined, but also negligibly, that is, from 3.1 to 2.8 percent respectively, contributed to a small extent to the above. However, the growth of the share of the oldest equipment in the withdrawal of fixed capital with a general slowdown in the rates of its liquidation and a relative increase in expenditures on retooling was the main reason for the noted phenomenon.

A more thorough restructuring of existing production affects not only the oldest elements of fixed capital, but also relatively young ones.

Now there is an ever greater gap between the technological structure of commissioning and withdrawal of fixed productive capital. Whereas the share of machinery and equipment in the fixed capital of industry rose only from 36 percent in 1976 to 39.4 percent in 1984, the corresponding share in their withdrawal, from 55 to almost 70 percent. At the same time, the proportion of buildings and installations in the withdrawal of fixed capital dropped from 22.8 to 14.4 percent. As a result, the extent of withdrawal of machinery and equipment exceeded the full value of withdrawal of buildings and installations 4.8-fold. Such an excess in the commissioning of new fixed capital comprises about 20 percent, while the ratio of the entire value of functioning machinery and equipment to the value of buildings and installations, 84 percent.

The noted divergence is natural, because the normal rate of turnover of buildings and installations is almost one-half of that of machinery and equipment. However, the existing divergence is too big.

The turn of reproduction policy to retooling is largely due to the conviction that the reconstruction of existing production with its long stoppage and the closing of enterprises and capacities are less efficient ways of renovating fixed capital. This was also reflected in the practice of reconstruction work without production stoppage and in the strict limitations on the liquidation of obsolete enterprises and capacities. Meanwhile, existing facts do not confirm the assumption on the higher efficiency of retooling in all cases, as compared with reconstruction, or with measures for retooling labor on a new technical basis in the form of expansion and new construction.

Of course, the fact that the renovation of fixed capital is accelerated through retooling is good. This is evident from the ratio, which we calculated, of the annual commissioning of fixed capital as a result of retooling to fixed capital at the beginning of every year, which increased in industry from 0.77 percent in 1976 to 1.99 percent in 1984. However, it is bad that a similar ratio for the commissioning of fixed capital as a result of reconstruction was lowered from 1.42 to 0.6 percent respectively.

It would be understandable if retooling displaced expansion and new construction. However, why are reconstruction volumes reduced? After all, reconstruction should also replace the establishment of new shops, projects, and enterprises. It seems that in the envisaged acceleration of the renovation of the existing production apparatus it is necessary at least to give reconstruction back its previous role, planning its expansion at appropriate levels, because without this it is difficult to attain the necessary scale of renovation. When implementing extensive renovation measures, we must not reduce them only to the active part of fixed capital, at the same time, stimulating a slowdown in the turnover of the passive part in kind. Not only the general slowdown in the withdrawal of means of labor, but also the growing gap in the rate of liquidation of obsolete machinery and equipment, on the one hand, and of buildings and installations, on the other, and the displacement of the reconstruction and closing of capacities by retooling measures without the stoppage of existing enterprises, is a negative tendency. In plans it is important to envisage an accelerated removal of obsolete elements of fixed capital from service, to raise the role of reconstruction, especially fundamental one, and to more boldly embark on the closing of obsolete enterprises and projects for releasing labor, material, power, and financial resources from them for the newest capacities, which are not utilized sufficiently.

We would also like to note that retooling not only displaces reconstruction, but also aggravates the problem of providing reconstruction operations with equipment. In any case the tendency toward increasing the share of construction and installation work in expenditures on reconstruction and the fact that this share is higher than in expansion and new construction can be interpreted in such a way. The shortage of equipment delays the commissioning of capacities established during reconstruction and lowers the efficiency of these measures.

The above-mentioned tendencies are especially pronounced in some industrial sectors. For example, in machine building and metalworking the average annual coefficient of withdrawal of machinery and equipment in 1981-1984 changed little (1.9), as compared with 1976-1980 (2). At the same time, the coefficient of withdrawal of buildings and installations decreased to more than one-third, that is, from 0.32 to 0.2. In 1976 this coefficient was 0.5. The rate of withdrawal for equipment was lowered by 2 years (from 17 to 19 years) respectively and for buildings and installations, by 9 years (from 41 to more than 50 years). In 1984 the value of disused machinery and equipment exceeded the withdrawal of buildings and installations almost 12-fold, while the ratio of corresponding withdrawal coefficients was more than 10-fold.

As throughout industry the unproportionately big slowdown in the turnover of buildings and installations in kind is connected with the 10-fold drop in the share of reconstruction in capital investments by the 1980's, as compared with the beginning of the 1950's, and with the even more significant drop in the coefficient of renovation of fixed capital through reconstruction (from 2.36 in 1976 to 0.19 in 1984). Expenditures on maintaining capacities have disappeared altogether, which signals giving up their closing almost completely.

At the same time, since 1972 the share of retooling in capital investments increased more than 10-fold, while the coefficient of renovation through retooling reached 4 in 1984 as compared with 1.83 in 1976. Whereas in 1972 expenditures on reconstruction in machine building exceeded expenditures on retooling almost sixfold, in 1984, conversely, the latter exceeded expenditures on reconstruction more than 21-fold.

It is necessary not only to enhance the role of reconstruction, but also to transform it into a means of production renovation on a more advanced technical basis. At times it differs in no way from expansion and new construction, which, in particular, is evident from the share of construction and installation work in capital investments, which is largely directed at establishing new projects and work places. If reconstruction were connected only with the replacement of old active and passive fixed capital, the technological structure of capital investments would be close to the technological structure of withdrawal of fixed capital. This is observed in retooling, where, for example, in machine building in 1980-1984 the withdrawal of machinery and equipment in terms of value exceeded the withdrawal of buildings and installations approximately 10-fold. During retooling expenditures on equipment exceeded expenditures on construction and installation work even more. Such a closeness of indicators is due to the fact that withdrawal is connected with retooling to a significant extent. At the same time, during reconstruction expenditures on equipment and on construction and installation work in machine building are the same and their ratio differs in no way from the corresponding proportion during expansion and new construction.

As an example, such a sector of group B as light industry can also be examined. In this sector in 1980-1984 the withdrawal of machinery and equipment also exceeded the withdrawal of buildings and installations almost 10-fold. During those years expenditures on equipment exceeded expenditures on construction and installation work in retooling more than 25-fold. At the same time, the technological structure of capital investments during reconstruction was noted for a high share of construction and installation work (67 percent in 1980-1984). This is more than in expansion and new construction, which points not only to the growing separation of reconstruction from the tasks of replacement of old equipment and to its transformation, primarily, into a process of establishing new enterprises and projects, but to the fact that the displacement of reconstruction by retooling, of course, does not contribute to an accelerated commissioning of new capacities.

The situation in the construction materials industry confirms the interconnection of the technological structure of withdrawal and expenditures on retooling. A fourfold excess of the withdrawal of machinery and equipment over the withdrawal of buildings and installations took place there. Nor do expenditures on equipment exceed expenditures on construction and installation work as significantly as, for example, in machine building and light industry--only twofold. The share of reconstruction and expenditures on maintenance in capital investments is relatively high in this sector, which also increases the proportion of withdrawal of buildings and installations.

There can be no complete coincidence between technological structures of withdrawal and capital investments for retooling owing to a number of reasons connected with certain differences in the nature of statistical recording of these structures and the effect of the time factor. There would be a big connection between the technological structure of withdrawal as a result of retooling and the technological structure of the commissioning of fixed capital during retooling if such data were available. However, they are not. Therefore, the interconnection of structures is perceived according to the coordination of the direction in the change and the significant well-defined difference from the technological structure of capital investments for reconstruction, expansion, and new construction. Probably, if it were possible to separate amounts connected with the closing of enterprises, projects, and capacities from the total volume of withdrawal, the technological structures of withdrawal and expenditures on retooling would be brought even closer together.

The technological structure of expenditures on reconstruction in the construction materials industry is characterized by a high share of construction and installation work, which exceeds expenditures on equipment more than twofold. Such a situation is only in new construction. During expansion this excess is less than twofold.

Instead of reconstruction new projects (frequently, of auxiliary importance) are very often built in industry now. This is also indicated by the fact that in 1981-1984, according to report data on mastering planned indicators of reconstructed industrial production facilities, the number of work places increased by 13 percent there, which points to the implementation, primarily, of expansion and new construction measures. As compared with preceding reporting, data on the planned commissioning of new fixed capital during reconstruction have disappeared, which does not make it possible to judge, even if approximately, about the removal of obsolete means of labor from service. Probably, this is no longer necessary, because reconstruction becomes the method increasing, not replacing, fixed capital.

The performed analysis is aimed not only at uncovering the characteristics of the renovation process in industry in recent years. It is also of methodological significance, because it shows how it is possible to use existing statistics on the reproduction of fixed productive capital to obtain additional information on the process not contained in report data. For example, a comparison of the technological structure of withdrawal of fixed capital and of the reproduction and technological structure of capital investments reflects a certain connection between them, which points to the activation of retooling in industry. At the same time, data on simultaneously curtailing reconstruction and on narrowing expenditures on the maintenance of capacities also look more convincing. Information on the high share of construction and installation work during reconstruction becomes more understandable. The connection between the shift toward retooling and the age of disused means of labor, which is perceived through the share of residual value in the full value of liquidated fixed capital, is visible.

Of course, the possibilities for analysis would be much broader if there were data on the withdrawal and commissioning of fixed capital with a breakdown into an active and a passive part during retooling, reconstruction, expansion, new construction, and closing of enterprises and projects. Data on the residual value of liquidated means of labor should not take into account the value connected with major repairs. Then the age characteristics of fixed capital will be more significant.

Thus, the conclusions of the performed analysis boil down to the fact that reconstruction is transformed into new construction, its role in the expanded reproduction of fixed capital declines, and there is a tendency toward a significant reduction in the volumes of fundamental reconstruction. True, especially fundamental, reconstruction is the most thorough form of restructuring existing production on the basis of new equipment and the most efficient lever of retooling enterprises. Of course, it can be connected with significant losses on the passive part of old fixed capital, on production stoppages, and on the periods of construction and installation work. However, reconstruction gives a more significant general and long-term effect, revolutionizing the entire machine system and making it possible to establish flexible mobile production possessing big potentials for subsequent modernization. Therefore, in the future it is important to count more on this powerful means of replacement of the production apparatus. At the same time, it is necessary to more boldly close obsolete enterprises, projects, and capacities if reconstruction or retooling cannot transform them into technically advanced production.

Through retooling alone it is hardly possible to solve the problem of accelerating the renovation of fixed capital on a high technical basis. When planning withdrawal, we cannot rule out any forms of retooling manpower on a new technical basis, including reconstruction, expansion, and new construction. The optimum reproduction and technological structure of expenditures on these purposes should be determined with due regard for the efficiency of every direction in expenditures on the basis of short-term, as well as long-term, economic considerations and interests of acceleration of technical progress. Now all investments, in fact, will service the process of retooling labor, because the size of manpower will be stabilized in the very near future. The efficiency of various forms of realization of this task will have to be evaluated on the basis of this.

The relatively rapid development of retooling and reduction in reconstruction volumes signifies a weakening of concentration and centralization factors in the management of the renovation process. Reconstruction, especially extensive one, accompanied by a serious technical and economic substantiation and the development of planning documents, makes it possible to purposefully concentrate funds, to affect their effectiveness and the technical level of planning solutions in a centralized manner, to implement major measures for retooling labor, and to coordinate them according to sectors and territories. Retooling labor as a result of the closing of obsolete enterprises and projects is also under control to a much greater extent than during the retooling of enterprises.

Of course, the independence of enterprises in the area of renovation, primarily, of the equipment pool should be encouraged, but effective levers of controlling the retooling of plants and factories within the framework of the national economic plan should be retained and sufficient funds for its realization should be left. This guarantees the provision of a balanced growth of fixed productive capital and manpower on the scale of the entire economy, giving replacement the necessary cyclicity connected with a periodic need for an accelerated introduction of accumulated achievements of science and technology, and concentration of efforts on the most important directions in the structural and technical reorganization of the economy.

At present the fact that this form of reproduction of fixed capital is connected with the replacement of obsolete means of labor, whereas reconstruction loses this connection to an ever greater extent, is the positive aspect of intensification in the role of retooling. If economic and legal prerequisites for changing the nature of reconstruction are created, by means of it it will be possible to significantly activate the renovation process for the purpose of accelerating economic development and increasing the efficiency of public production.

It seems that, to establish the correct proportion between retooling and reconstruction, only the measures taken to intensify the role of economic incentive funds, primarily the production development fund, in the renovation of existing enterprises, to increase the amounts of this fund, to better provide noncentralized capital investments with equipment and material resources, to increase the material interest of construction organizations in performing reconstruction work under the conditions of existing production, and to expand the economic method of construction are not sufficient. Such efforts are rather directed at giving an even greater scope to retooling and to reconstruction close to it in scale and depth. The policy of fundamentally reconstructing the national economy requires a simultaneous intensification of the centralized planned principle in the management of the renovation process.

In conclusion we will note that attaining an efficient combination of retooling and reconstruction largely depends on the level of development of the interconnected planning of the reproduction and technological structure of capital investments, commissioning of fixed capital, withdrawal of active and passive elements of fixed capital, and other types of removal of obsolete means of labor from service, which releases labor, material, power, and financial resources for new equipment, capacities, enterprises, and projects.

FOOTNOTES

1. "Materialy Plenuma Tsentralnogo Komiteta KPSS, 16 iyunya 1986" [Materials of the Plenum of the CPSU Central Committee, 16 June 1986], Moscow, Politizdat, 1986, p 19.

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REGIONAL DEVELOPMENT

SHORTFALLS IN REGIONAL PLAN INTEGRATION NOTED

Moscow PLANOVOYE KHOZYAYSTVO in Russian No 11, Nov 86 pp 67-74

[Article by B. Shtulberg, deputy chairman of the Council for the Study of Productive Forces under USSR Gosplan, doctor of economic sciences: "Methodological Problems of Improving Territorial Planning" (as a discussion)]

[Text] The report by M. S. Gorbachev, general secretary of the CPSU Central Committee, at the 27th CPSU Congress advanced the intensification of the territorial approach in planning and management as one of the significant aspects of restructuring the economic mechanism (1). This places additional demands on an investigation of problems concerning an improvement in the methodology of territorial planning.

A great deal has been done in the area of improving territorial planning during the years following the adoption of the new USSR Constitution: The rights of the Union republics have been extended and measures for ensuring an overall economic and social development of individual oblasts and cities, for improving the planning of capital construction, and for a number of other matters affecting the sphere of territorial planning are being implemented. Certain methodological work has been done. USSR Gosplan has approved the following: standard methodological directives for planning the economic and social development of oblasts, cities, and rayons; the list of planned indicators submitted by enterprises to local soviets; the list of indicators established in the state plan in the territorial section; methodological directives for working sectorial and territorial schemes for the development and distribution of productive forces and a number of other methodological materials.

In accordance with the established procedure plans for the economic and social development of okrugs, administrative regions, and cities have been included in the state planning system and, thereby, the formation of the system of territorial plans has been completed. The functions of sectorial and territorial schemes of development and distribution of productive forces have been refined; the place of the general scheme of development and distribution of productive forces in the system of territorial planning has been determined and its horizons have expanded through the development of regional sections of the overall program (overall program for scientific and technical progress).

The degree of directiveness of the territorial section of the national economic plan has risen as a result of the transfer of a number of indicators worked out throughout the Union republics and economic regions into the category of approved ones.

Methodological materials for planning the economic and social development of oblasts (krays and autonomous republics), cities, and administrative regions prepared with due regard for the specific nature of these republics and the experience in planning accumulated by them have been worked out and are utilized in most Union republics by now. An analysis of these methods shows that an approximately the same composition of the forms and indicators of territorial plans has been formed in the Union republics. However, in terms of quantity the systems of indicators being worked out differ significantly, which is connected with the differences existing in the detailed study and substantiation of planned solutions. For example, from 400 (the Uzbek SSR) to 1,600 indicators (the Ukrainian SSR) are determined in the approved plans and draft plans of oblasts (krays and autonomous republics).

An oversaturation of territorial plans with calculated, information-reference, and balance indicators is observed and there is no precise differentiation of approved and calculated indicators. Methods in the BSSR and the RSFSR, where calculated and reference indicators are present only in the forms of draft plans, constitute an exception. This has made it possible to reduce the number of indicators to approximately one-third and to bring them up to an economically justified value (500 to 600 indicators) without lowering the level of substantiation of planned solutions.

Goal-oriented territorial planning has become widespread in a number of Union republics. Individual goal-oriented programs developed in localities have been examined and approved by gosplans of the Union republics and the experience in the development of the goal-oriented overall intensification program for Leningrad and Leningrad Oblast was approved by the CPSU Central Committee. On the whole, however, the programs have not yet become an organic part of the territorial planning system.

There is experience in a centralized elaboration of schemes for the development and distribution of productive forces in individual krays, oblasts, and autonomous republics. Methodological directives for working out basic directions in the economic and social development of autonomous republics, krays, and oblasts are being prepared. Thus, there is a lively activity in the development of territorial planning at all levels of management. On the whole, however, the effectiveness of territorial plans and the substantiation of the territorial aspects of reproduction increase in an obviously insufficient manner. There are still many unsolved problems in the area of an efficient combination of sectorial and territorial plans. On the one hand, such a situation is due to shortcomings in legal support for planning. Numerous legal acts on expanding the powers of territorial management bodies are not accompanied by an appropriate review of the functions of central and sectorial bodies in economic activity. There is no clarity in the following matters: to whom--oblast, rayon, or city soviets--should the draft plans of enterprises be sent and who (executive committees or planning commissions of the indicated soviets) makes proposals on refining

these draft plans; to whom proposals by every territorial management body are sent and on what range of problems; what is the procedure of recording these proposals in sectorial plans, and so forth. In our opinion, the weak differentiation in the rights of soviets at various levels is a serious shortcoming.

On the other hand, the lack of marked shifts in matters concerning the combination of sectorial and territorial planning is connected with the insufficient development of the methodology and specific methods of such a combination at different management levels and stages of the planning process. As a result, the sharp expansion of territorial plans both for the range of problems worked out throughout the territory and at regional management levels has not given the proper effect and has led to a repeated duplication of planned indicators and to an increase in the labor intensiveness of planning. The necessary interaction between overall plans at rayon, city, oblast, and republic levels, on the one hand, and the territorial section of the state plan, on the other, as well as among related territorial planning links, has not been ensured. It should be especially noted that the development throughout the territory of individual consolidated plans (for housing and municipal construction and for the production of local building materials and consumer goods) not connected among themselves and with general economic development parameters disrupts the overall nature of territorial planning.

The expansion in the number of preplan documents (regional section of the overall program for scientific and technical progress, regional goal-oriented programs, and schemes of formation of the territorial production complex) has not yet perceptibly affected the level of substantiation of territorial plans. The reason is that every preplan documents is worked out largely in an isolated manner by different organizations on the basis of uncoordinated methodological principles, which leads to the duplication of the same calculations and to the incomparability and irreducibility of results and, on the whole, does not ensure the continuity and interconnection of various stages of the planning process.

The weakness of economic methods of affecting the placement of production and the economic and social development of territories is a significant hindrance to solving the problem of increasing the effectiveness of territorial management and planning. Territorial interests in the cost accounting of enterprises, in credit granting terms, in the principles of formation of local budgets, in the establishment of norms of effectiveness of capital investments, and in the utilization of other economic levers are not taken into consideration.

Basic Directions in the Economic and Social Development of the USSR for 1986-1990 and for the Period Until the Year 2000 envisage "overally developing a system of control and management called upon to ensure an organic unity and an efficient interaction of planning, economic levers and incentives, and organizational structures of management" (2).

Improvement in territorial management and planning should be based on a clear delimitation of the functions of sectorial and territorial management bodies. It is advisable to use the principle of spatial localization of economic

relations as the basis for such a delimitation. On its basis it is possible to determine for every territorial level the list of production facilities and types of activities oriented toward local resources and meeting mainly intrarayon needs, whose management should be carried out according to the territorial principle. On the other hand, it is possible to single out a group of production facilities, among which relations in the output and distribution of products affect either the country's entire territory, or its vast regions. Such production facilities should be managed on the basis of the sectorial principle. If economic relations are, in part, of a local nature and, in part, of an interrasyon nature (utilization of local resources for the production of products of interrasyon significance, output of goods for cultural and every-day purposes for local needs at enterprises of Union significance, and so forth), the problem of combining sectorial and territorial principles of management should be solved depending on whether these relations are of a single- or multisectorial nature: The more sectors participate in the utilization of some types of regional resources (capacities of the infrastructure), or in the satisfaction of local needs, the bigger the role the territorial principle should play in their regulation.

On the basis of the above-stated all sectors can be divided into sectors managed:

primarily according to the territorial principle--the sphere of services for the public, agriculture, and processing and service sectors of the APK; individual sectors of industry producing consumer goods (groups B); residential housing construction; motor-vehicle and river transport; production facilities for secondary raw material processing;

on the basis of sectorial and territorial principles--the construction complex; intersectorial production facilities; the timber complex; production facilities ensuring an overall utilization of natural resources, reproduction of natural resources, environmental protection, and the production infrastructure; training personnel for public production.

Territorial management bodies should also include the distribution of resources for a multipurpose use (land, water, timber, and labor resources). Thus, the list of production facilities and types of activities, which should be managed according to the territorial principle, is much broader than the economic competence of territorial management bodies. Therefore, as noted in M.S. Gorbachev's report at the 27th CPSU Congress, "it is worth giving thought to extending the rights of republic and local bodies--following agroprom's example--in the management of construction, intersectorial production facilities, the social and production infrastructure, and many enterprises producing consumer goods" (3).

The recently adopted decree by the CPSU Central Committee, the Presidium of the USSR Supreme Soviet, and the USSR Council of Ministers "On Measures To Further Enhance the Role and To Increase the Responsibility of Soviets of People's Deputies for Accelerating Social and Economic Development in the Light of the Decisions of the 27th CPSU Congress" accomplishes these tasks to a certain extent. It especially singles out measures for improving the management of the activity of sectors directly connected with meeting the

population's needs, guiding capital construction, protecting nature, and overallly utilizing natural and secondary resources.

The opportunities of republics and local soviets in managing the production of consumer goods have expanded considerably. Measures for placing the construction of residential houses and projects for municipal services and cultural and every-day purposes under the management of local Soviet authorities are envisaged. The responsibility of soviets of people's deputies for guiding the nature protection activity is increased.

Soviets have received the right to form intersectorial and interfarm territorial production associations, to establish industrial centers, and to organize the joint activity of enterprises and organizations aimed at expanding the production of goods for the people, means of mechanization, and building materials and at jointly building and operating projects of the production and social infrastructure. Enterprises and organizations are required to coordinate with executive committees of local soviets not only the staff limits and projects of the social infrastructure (as was the case earlier), but also the indicators for construction, social, cultural, domestic, and other services for the public, nature protection, and other indicators determined by USSR Gosplan.

The economic interest of local soviets in raising the efficiency of work done by associations, enterprises, and organizations is increasing (4).

The significant extension of the rights and responsibility of soviets of people's deputies in matters concerning economic and cultural construction, naturally, will require further improving planning methods. Apparently, standard methodological directives for planning the economic and social development of oblasts, cities, and rayons should be reviewed. At the same time, the positive experience of the Belorussian SSR, the Ukrainian SSR, and a number of RSFSR oblasts, where territorial overall plans are being developed systematically, should be taken into account. The system of indicators of overall plans in the Belorussian SSR and the RSFSR meets to a significant measure the new requirements placed on territorial management bodies.

In our opinion, the basic problem now lies in organizing the interaction of territorial plans with the plans of enterprises and associations of ministries and intersectorial complexes. The solution of this problem is directly connected with improving management structures, as well as with expanding the sphere of application of economic levers and incentives.

Intensification of the territorial principle of managing sectors meeting the population's needs will not cause a significant reorganization of existing structures of management. Basically, the strengthening of departments of executive committees, agro-industrial associations, and territorial construction organizations engaged in residential housing and rural construction and the placement of departmental projects and institutions under the subordination of territorial bodies should be ensured here. It is obvious that, when solving individual problems connected with the production of consumer goods and the processing of secondary raw materials, the principle of dual subordination should be utilized widely.

A successful solution of problems concerning the management of sectors of construction and timber complexes and intersectorial production facilities, as well as problems concerning the distribution of natural and labor resources, presupposes the establishment and development of appropriate intersectorial bodies at different territorial levels.

The entire territorial structure of national economic management needs to be improved. Two relatively independent territorial structures now appear as the object of territorial planning and management. The first (basic) includes administrative-economic units, that is, Union and autonomous republics, krays, oblasts, cities, administrative regions, settlements, and villages. The second (auxiliary) unifies USSR economic regions, territorial production complexes, and industrial centers.

Administrative and economic regions have existing management bodies carrying out planning to one extent or another and performing functions for operational management of economic and social development. However, the extreme nonequivalence, from the economic point of view, of the Union republics (in individual indicators the gap among them reaches 100-fold and more) complicates territorial planning. It is obvious that the planning of the RSFSR as a territorial unit gives hardly anything for the solution of regional problems, while the operation of oblasts, krays, and autonomous republics at a general state level is hardly possible in connection with their big number and considerable inhomogeneity: In the size of the population the gap reaches 20-fold and more and in the economic potential it is even more significant. At the same time, many problems concerning the economic development of the Baltic region and Central Asia exceed the limits of republic plans.

It should be kept in mind that among the same types, from the economic point of view, of territorial projects there are significant differences in management structures and in scientific support for planning. For example, in the Union republics the size of the planning staff is two- to fourfold higher and of scientific workers engaged in the substantiation of planned solutions, five- to tenfold higher and more than in autonomous republics and oblasts comparable in the size of the population and the level of economic development. The structures of bodies for managing administrative-territorial units of the same rank also differ significantly. All this greatly hampers an improvement in the organization and technology of planning and the development of uniform forms and methods of working out territorial plans. The role of large economic regions in the system of planning and management of the national economy should increase under these conditions.

At the same time, the role of economic regions and territorial production complexes in the planning system is limited now. Some territorial formations are included in the system of planning for individual national economic tasks, which are of a temporary, although long-term, nature. Large USSR economic regions established for centralized planning purposes do not have management bodies and their plan indicators are still of a consolidated nature.

In connection with the task of studying the problem of managing the national economy throughout large economic regions set at the 27th CPSU Congress it

should be noted that, as experience shows, the development of consolidated plans for economic regions and the appointment of authorized agents of USSR Gosplan for a number of large regions do not solve this problem. Apparently, it is necessary to establish intersectorial management bodies capable of operating on a day-to-day basis with ministries and departments. Perhaps it will be a question of an organization of councils of economic regions, which is not connected with mandatorily breaking the entire system of territorial management and, therefore, can be carried out in a short period. Subsequently, rayon soviets could undertake the substantiation of the advisability for consolidating (subdividing) oblasts and krays located on their territory.

Thus, proceeding from planning needs, the further improvement in the organization of territorial management should be aimed at:

overcoming excessive differences in the size and structure of similar territorial units on the basis of the utilization of clear quantitative criteria connected with singling out appropriate subdivisions (economic regions, oblasts, and administrative regions);

bringing the limits of administrative and territorial units into conformity with the limits of economic regions formed as a result of the development of new territories;

inclusion of USSR economic regions in the basic system of territorial management. Economic regions should become the supporting structure of the territorial section of the national economic plan and undertake significant functions in the territorial aspect of public reproduction.

The expansion of economic independence and increase in the economic responsibility of the basic public production link--associations and enterprises--introduce fundamental changes in the organization of the work on managing the overall economic and social development of territories. Today relations between them and local soviets regulated by legal acts are primarily of a noneconomic nature: Enterprises are required to submit basic plan indicators for consideration, to coordinate the staff limits and construction of projects of the nonproduction sphere, and so forth. In the future it will be necessary to significantly expand the joint activity of local soviets and enterprises for the economic development of rayon and oblast territories. Obviously, first of all, soviets should participate in the development of economic norms regulating the conditions of utilization of local natural resources by enterprises. Soviets are also called upon to actively help enterprises during the conclusion of contracts and to organize cooperation among enterprises in the utilization of production waste and secondary raw materials and in an overall utilization of natural resources and to centralize the funds of enterprises for nature protection and infrastructure construction and for the establishment of specialized repair and intersectorial production facilities for general use. Such experience exists in the intersectorial territorial association of the city of Poti.

In connection with the strengthening of territorial management bodies there is an expansion in the sphere of their joint activity with associations and

enterprises in ensuring a quantitative and qualitative correspondence of the demand for manpower with its availability and training and the satisfaction of production needs for transport, warehouse capacities, energy, heat, water, and building capacities. Under the conditions of establishment of a sufficiently powerful construction base at local soviets and concentration of residential housing construction in their hands it will be advantageous for enterprises to transfer some of their funds for social, cultural, and housing construction in the form of share participation.

It is no less important to ensure an intensified effect of economic levers and incentives at a general state level. As is well known, the presently applied zonal differentiation of prices and rates poorly takes into consideration the regional conditions of reproduction. As a result, the economic interests of sectors come in conflict with national economic tasks of regional development, in particular with the task of accelerated economic growth in eastern regions. As a result of such a situation, planned assignments for the development of production facilities in the country's east are not fulfilled systematically. Under the conditions of intensified cost accounting the elimination of the indicated contradiction acquires paramount importance. Along with work on upgrading prices and rates, improving the territorial differentiation of economic norms, and granting preferential credit for projects under construction in priority regions, it is advisable to conduct an experiment in a specific allocation of funds to local soviets of people's deputies, or to a ministry opening up new regions, for an outstripping development of the construction base and the infrastructure. In this case a portion of the centralized state capital investments (3 to 5 percent of the volume of capital investments allocated in industry) should be assigned for the regional development fund, whose capital could be allocated by USSR Gosplan for the purposes indicated above.

One of the fundamental shortcomings in existing territorial planning is its passive nature. Most territorial plans included in the planning system in recent years are also of a consolidated nature and perform mainly surveying and analytic functions. The extension of the rights of the Union republics and soviets of people's deputies has not yet been properly reflected in planning methodology. The right to approve territorial plans with the existing methods of their formation based on approved sectorial plans, essentially, changes nothing. Apparently, this explains the excessive fascination with regional programs--in this way local authorities try to strengthen their effect on the economic and social development of the territory.

Specific directions in enhancing the role of territorial planning stem from the general tasks of its development. The orientation of plans toward final results and the intensification of the social direction of plans are of primary importance. The realization of these tasks should lead to an expansion of the range of indicators of social development, to an intensification of the degree of their directiveness, and to a change in planning methods. It is advisable to establish the indicators of social and cultural construction and of a rise in the population's standard of living not according to sectors, but according to the territory with due regard for natural-climatic, demographic, and socio-historical characteristics of

regions. This will require a fundamental change in the procedure of distribution of capital investments and material resources in the sphere of services for the public. The parameters of the development of this sphere and its sectors should be determined according to territorial units on the basis of regionally differentiated consumption norms and of the standard of living and services for the public.

The transition in planning to intensive methods objectively contributes to the activation of territorial planning. When planning the economy of regions, it is necessary to be oriented toward a fuller utilization of existing production capacities and of the labor potential, increase in the full and overall utilization of the natural resources and secondary raw materials drawn into the economic turnover, reduction in losses in the process of reproduction, intensification of the concentration and specialization of production facilities for intersectorial purposes and of projects of the infrastructure, and efficient territorial organization of construction and the sphere of services for the public. Systematic work in these directions can give an effect comparable with the results of sectorial intensification.

Since in the future territorial planning should acquire greater independence, it becomes necessary to change the methodology of planning the interaction of various levels of management, as well as plan indicators regulating social development. Evidently, control figures for resources allocated for the sphere of services for the public and regional norms of rise in the standard of living should be established for subordinate territorial units at all superior levels of state management within the framework of their economic competence.

In preplan materials and during work on drafts of five-year plans it is also advisable to calculate for low levels control figures for products, in whose production appropriate territorial units will specialize, as well as for limits of state capital investments and the number of workers engaged in public production sectors. It is more advisable to place the limits for financial and material resources allocated for the construction of projects of the nonproduction sphere directly at the disposal of councils of ministers of the Union republics and then to distribute them throughout autonomous republics, krais, and oblasts, and in republics, which do not have an oblast division, throughout cities and rayons.

In the existing methodology of planning a subsidiary role is assigned to territorial plans, which is determined both by the degree of directiveness of their indicators and by the consolidated technology of planning. Under these conditions all work on the combination of sectorial and territorial interests is carried out at the stage of development of the draft plan. Proposals on refining drafts of sectorial plans serve as the basic tool of ensuring this combination. However, the efficiency of this work is very low, because ministries are not required to take these proposals into consideration. Coordinating individual indicators of the plans of associations and enterprises with local soviets is a more effective means of combination. For the time being, however, the range of such indicators is confined to the limit of the number of employed individuals and to title lists of nonproduction projects, which is insufficient.

In the future it is necessary to intensify the role of territorial planning in raising the population's standard of living and in ensuring a regionally differentiated approach to the implementation of scientific and technical progress, to the utilization of natural resources, and to environmental protection. The coordinating role of territorial management bodies in the development of interconnected production facilities and projects of the production infrastructure is rising. This can be realized as a result of the development of a preliminary draft of the territorial plan, one part of the indicators of which should be refined at superior levels of management and be included in the draft plan and the other part should be assigned to appropriate ministries, associations, and enterprises and be taken into consideration by them during the preparation of their draft plans. This will require, first of all, an intensification of the territorial direction in USSR Gosplan work. Both during the preparation of the draft of Basic Directions and during the development of drafts of five-year plans it is necessary to simultaneously study sectorial and territorial sections, which will make it possible to work out thoroughly substantiated solutions.

Beginning in 1987 Union and autonomous republics and local soviets will draw up and assign to superior management levels not only overall plans based on the approved plans of ministries and enterprises, but also drafts of territorial plans. Along with the general scheme for the development and distribution of productive forces drafts of territorial overall plans of the Union republics will serve as the basis for preparing the draft of the territorial section of the state plan. An increase in the role of territorial planning is connected with a reorientation toward specific normative indicators. Territorially differentiated norms are needed primarily for planning social development, because regional differences in the population's provision with housing, food products, clothing, medical services, and other types of benefits and services are obvious and can be normed.

It seems advisable to differentiate throughout the territory assignments for lowering power, material, and labor intensiveness of production, for introducing water saving technologies, and for the level of application of waste and secondary raw materials depending on the availability and cost of certain types of resources in different regions. The transition to normative planning will contribute to the solution of problems concerning an efficient distribution of productive forces and an overall economic and social development of regions, because normative goal-oriented and resource-type indicators determine the extent of interconnections between sectorial and territorial links of a single national economic complex and between the level of technical and economic development of production and the resource capabilities of territories.

As already noted, the formation of an expanded territorial planning system has been intensified in recent years. However, an organic interconnection of links of territorial planning at different levels has not yet been attained and the interaction of various stages of the planning process at every regional level of management is not ensured. For a stable functioning of the territorial planning system it is necessary to define not only the tasks of territorial planning as a whole, but also of each of the links, to establish

the nature and procedure of their participation in the realization of common goals, and to develop the principles and methods of interaction of all the links and elements of the territorial planning system.

The same tasks at various levels of management are connected with the solution of significantly differing problems. However, an analysis of the methodological materials, forms, and indicators used in the RSFSR, the Ukrainian SSR, the BSSR, and a number of other Union republics for planning the economic and social development of oblasts, cities, and rayons indicates that a levelling approach still predominates in the planning of the development of these territorial units. With the existing methodology there is no need for an interaction among territorial planning levels, because either the territorial section of the plans of ministries or the basic indicators of the plans of enterprises and organizations serve as the basis for drawing up territorial plans at all levels. Through this a comparability of indicators is attained, but the chief thing is lost: Plans do not ensure consideration of the potentials for increasing the efficiency and intensification of production at different regional levels.

The intensification of plan differentiation and formation of a single territorial planning system should be carried out in close coordination with the functions of appropriate management bodies and be accompanied by an efficient regulation of the rights and duties of planning bodies at different levels and of the procedure of their interaction in the process of development of the national economic plan. At present this process in the sectorial section is regulated with respect to every enterprise. With regard to the territorial section of the plan, the procedure of working it out is established only up to the republic level. Gosplans of the Union republics, drawing up the territorial plan, are oriented toward drafts and the approved plans of ministries and departments, but the proposals and plans of oblasts are hardly used at this stage. There is a similar situation in autonomous republics, krays, and oblasts, which draw up territorial plans, basing themselves on the data of enterprises and organizations, and can do without the participation of cities and rayons in this process.

In contrast to territorial plans encompassing all levels, regional preplan investigations at the level of an oblast and below have not been formed definitively. The investigations of this problem and planning practice in recent years show that for oblasts (krays and autonomous republics) and the biggest cities, on the basis of the regional sections of the overall program for scientific and technical progress, territorial and sectorial schemes of development and distribution of productive forces, and plans for the development of major enterprises, it is advisable to work out basic indicators for economic development for 10 to 15 years. With the introduction of such a document, which could have either the status of a scheme of development and distribution of the productive forces of an oblast (city), or of basic directions in economic and social development, the formation of a system of regional preplan investigations will be completed, because at the level of administrative regions the performance of long-term investigations is inadvisable. This will make it possible to refine the place of goal-oriented regional programs in the planning system, because at present an attempt is often made to give them functions of a generalizing preplan document

determining the basic parameters in the economic and social development of the territory. In our opinion, such an interpretation of programs contradicts their specific nature. They begin to replace overall plans and lose their basic advantage--an in-depth, all-around study of a system of measures ensuring the solution of an important regional problem and backed by the necessary resources.

The methodological problem--ensuring an interaction between the related stages of the planning process and on this basis a rise in the level of the scientific substantiation of plans--is no less important. The urgency of this problem is connected with the existing duplication of the same indicators in different preplan documents, performance of the same types of calculations, and examination of similar problems on the basis of the same initial information. However, every planning stage should fulfill its own specific tasks. The composition of these tasks is largely predetermined by the length of the planned period and by methods of substantiations directly depending on the volume and reliability of initial planning and statistical information. In turn, the specific nature of the tasks and methods of investigation leads to appropriate changes in the system of indicators and in the structure of preplan materials. In particular, with an increase in the length of the planning period the system of indicators acquires a more consolidated nature and goal-oriented normative indicators occupy an ever greater proportion in it. Methods of substantiation also change respectively. Economic, scientific-technical, social, and economic forecasts serve as the basis for long-term preplan investigations. When five-year plans are drawn up, an all-around balance of proposed solutions is put in the forefront. A disclosure of these characteristics will make it possible to organize the interaction in a new way and to ensure the continuity of preplan and planning documents. This applies primarily to the overall program for scientific and technical progress, schemes for the development and distribution of productive forces, and Basic Directions in Economic and Social Development.

The problems of improving the methodology of territorial planning examined above touch upon various levels of management and various aspects of the economic mechanism and, therefore, should be solved in the process of formation of an integrated national economic management system. However, as experience shows, the proposed measures and the performed experiments in improving the economic mechanism primarily (and in most cases, exclusively) concern interrelations of central management bodies with ministries (departments), as well as of sectorial (intersectorial) management bodies with the basic link--enterprises and associations. When solving such a problem, an overall approach is necessary. An integrated management system can function successfully only when the national economic, sectorial, and territorial aspects of the country's economic and social development are encompassed.

FOOTNOTES

1. "Materialy XXVII syezda Kommunisticheskoy partii Sovetskogo Soyuz" [Materials of the 27th Congress of the Communist Party of the Soviet Union], Moscow, Politizdat, 1986, p 37.
2. Ibid, p 329.
3. Ibid, p 37.
4. In greater detail see: Varlamov V., "Soviets of People's Deputies and Acceleration of Social and Economic Development," PLANOVOYE KHOZYAYSTVO, 1986, No 10.

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AGRO-ECONOMICS, POLICY, ORGANIZATION

LENIN'S IDEA OF PRODNALOG IN MODERN USE DISCUSSED

Moscow ZAKUPKI SELSKOKHOZYAYSTVENNYKH PRODUKTOV in Russian No 12, Dec 86
pp 30-35

[Article by L. Kochetkov, candidate of economic sciences: "Creative Use of Lenin's Idea of Prodnaolog Under Present Conditions"]

[Text] Plan

1. Introduction.
2. V. I. Lenin on prodnaolog.
3. Transition to economic methods of management.
4. Increase in interest in and in responsibility for final results.

1. Introduction. The June (1986) Plenum of the CPSU Central Committee, discussing the fulfillment of the general line of accelerating the country's social and economic development worked out by the 27th party congress, noted that after the congress Soviet society began to move in all spheres--political, economic, and spiritual. The Soviet people are decisively in favor of restructuring being of a universal and business-like nature. A tendency toward an increase in the rates of national economic development has appeared. Stepped-up work is going on in the agrarian sector. This year farmers in the country's many regions have obtained a good harvest of grain and other agricultural crops and have increased their sale to the state. The production and purchases of livestock products are growing systematically.

The USSR Gosagroprom system--unified management bodies called upon to ensure a real and efficient integration of agriculture and industrial sectors connected with it--has been established in the country's agro-industrial complex in the center and in localities. The establishment of such an organizational structure is backed by an efficient economic mechanism, which is being introduced by the decree of the CPSU Central Committee and the USSR Council of Ministers "On the Further Improvement in the Economic Mechanism of Management in the Country's Agro-Industrial Complex." This decree gives scope to economic methods of management. The independence of kolkhozes and sovkhozes is expanding significantly and their interest in and responsibility for final results are increasing. As pointed out in the political report by M. S. Gorbachev, general secretary of the CPSU Central Committee, at the 27th CPSU

Congress, it is a matter of creatively using Lenin's idea of prodnalog as applied to present conditions.

2. V. I. Lenin on prodnalog. The matter of prodnalog occupies a special place in Lenin's agrarian policy. Let us recall the conditions, under which V. I. Lenin advanced and implemented this remarkable idea in practice. The civil war was nearing its end. Mobilizing industrial, food, and raw material resources for the needs of the front, the government of Soviet Russia implemented a number of political and economic measures, which entered history under the name of military communism.

The introduction of prodrazverstka [requisitioning of grain by force] in 1919, which was carried out on the basis of the military and political alliance of workers and peasants, was of great importance: Working peasants received from the Soviet regime land for use free of charge, as well as protection against landowners and kulaks, while the state received food for supplying the army on the front and workers in the rear at firm prices from the peasantry. However, prodrazverstka deprived peasants of economic incentives in the production of products, because irrespective of economic results only minimum products were left to them. While the war was going on, peasants accepted this, because the Soviet regime protected them against white guards and interventionists. Economic levers were needed during peace time. Prodnalog, which was thoroughly developed and proposed by V. I. Lenin, was such a lever. It was supposed to replace prodrazverstka and form the basis for the new economic policy.

The idea of prodnalog is substantiated and set forth by V. I. Lenin in the work "On Prodnalog" published in 1921 ("Poln. sobr. soch." [Complete Works], Vol 43). However, even earlier in his report at the 8th All-Russian Congress of Soviets (1920) V. I. Lenin, stressing the importance of the food stock, at whose establishment all party and state efforts were directed, said the following: "No socialist country, as a state with a worker-peasant regime, is possible if through the joint efforts of workers and peasants it cannot prepare a food stock to ensure the subsistence of workers engaged in industry and to move tens and hundreds of thousands of workers to where the Soviet regime needs them. Without this there will be only talk. The food stock is the true basis for the economy... Not having it, state power is nothing. Without such a stock socialist policy will remain only a wish" (Vol 42, p 150).

Such a food stock could be created only with the substitution of prodnalog for prodrazverstka. The basic tenets of Lenin's teaching of prodnalog boil down to the following:

prodnalog is the transition from military communism to the proper socialist product exchange;

owing to the impossibility of restoring large-scale industry rapidly, first of all, it is necessary to improve the peasants' position by means of prodnalog, development of the turnover of farming with industry (sale of surplus products after the payment of prodnalog), and development of small-scale industry;

fight against misappropriation and deviations from state control, supervision, and recording;

all-round and maximum possible, at all costs, development of the initiative, enterprise, and independence of local bodies in the cause of stimulating the turnover of farming with industry;

assistance to industry servicing peasant farming and helping it to rise.

In his report at the 10th Congress of the Russian Communist Party (of Bolsheviks) V. I. Lenin stated the following: "...The question of substituting the tax for requisitioning is primarily and mostly a political matter, because its essence lies in the attitude of the working class toward the peasantry" (Vol 43, p 57). At the same time, the introduction of prodnalog was also of great economic significance. The decree of the 10th Congress of the Russian Communist Party (of Bolsheviks) indicated that prodnalog was introduced to ensure proper and peaceful economic management on the basis of a freer use by farmers of their resources, to strengthen the peasant economy, and to increase its productivity. A special stock of agricultural implements and consumer goods was created for the purpose of exchange for surplus food, fodder, and raw materials.

The substitution of prodnalog for requisitions contributed to the development of commodity-money relationships. During the period from 1921 through 1923 procurements of agricultural products exceeded their level under prodrazverstka 1.5-fold. The alliance of the working class with the peasantry began to take the form of economic cooperation between urban and rural areas and of links between socialist industry and agriculture. "The exchange of bread for industrial products needed by the peasant is the correct policy of the proletariat exercising its dictatorship in a small peasant country," V. I. Lenin taught. "Only such food policy meets the tasks of the proletariat, only it is capable of strengthening the principles of socialism and of leading it to full victory" (Vol 43, p 220).

V. I. Lenin clearly and graphically showed the importance of intensifying peasants' financial interest in increasing production: "Thus far the food worker has known one basic directive: Collect 100 percent of requisitions. Now the directive is different: Collect 100 percent of the tax in the shortest time and then collect another 100 percent through an exchange for products of large- and small-scale industries. Those that collect 75 percent of the tax and 75 percent (from the second hundred) through an exchange for products of large- and small-scale industries will do more useful state work than those that will collect 100 percent of the tax and 55 percent (from the second hundred) through exchange. The task of the food worker becomes more complicated. On the one hand, this is a fiscal task... On the other, it is a general economic task. Try to direct cooperation, to aid small-scale industry, and to develop local initiative and enterprise so that the turnover of farming and industry is increased and firmly established" (Vol 43, pp 231-232). At the same time, V. I. Lenin constantly saw to it that the legal material interests of peasant farms were not infringed upon.

Under the conditions of that time prodnalog offered scope to economic methods, expanded the independence of peasant farms significantly, and raised their interest in increasing the production of products.

3. Transition to economic methods of management. Lenin's idea of prodnalog is also urgent nowadays. The decree "On the Further Improvement in the Economic Mechanism of Management in the Country's Agro-Industrial Complex" adopted by the CPSU Central Committee and the USSR Council of Ministers is a graphic example of its creative use by the party under present conditions. It notes that the existing economic mechanism of management and methods and practice of planning and stimulation insufficiently direct kolkhozes, sovkhoses, other enterprises and organizations of the agro-industrial complex, and local Soviet and economic bodies toward a fuller utilization of the existing production potential, extensive introduction of the achievements of science and advanced equipment, provision of a stable development of agriculture and of sectors connected with it, reduction of losses of products at all the stages of their production, storage, and processing, and successful solution of problems concerning the social reorganization of rural areas. The normative method of planning, cost accounting, advanced forms of labor organization and wages are utilized poorly, disproportions in the development of individual sectors and regions are allowed, and numerous instructions limit independence and the development of initiative and enterprise in economic activity.

The decree considers it necessary to implement measures to improve the economic mechanism of management and to widely introduce new methods of planning and economic stimulation on the basis of advanced standards.

First of all, the planning of the production activity of agricultural enterprises is being put in order. Planning should be carried out on the basis of control figures for purchases of agricultural products presented in accordance with the established procedure, limits of capital investments, and deliveries of basic types of material resources, which are determined on the basis of standards taking into account economic land evaluation and the provision with fixed productive capital and labor and other resources.

The normative method of planning is the most important lever in its improvement and introduction of economic methods of management. Norms should express the proportions for allocated materials and financial resources, for the ratio of the growth of production and the wage fund, and for the formation of some types of reserves. In this connection the 27th CPSU Congress noted that "economic norms represent a promising tool of planned management. They flexibly combine the centralized principle in economic management with the use of commodity-money relationships and the law of value. It is important for central economic bodies, ministries, and enterprises to master them fully."

Farm plans, after their discussion at meetings of labor collectives, are submitted to a body superior in terms of subordination. At the same time, the total volume of sale of agricultural products to the state should not be below the average annual level attained during the preceding 5 years. USSR Gosagroprom and USSR Gosplan were instructed to ensure the development of appropriate norms and to introduce them into the planning practice as of 1987.

Plans of kolkhozes, sovkhozes, and other agricultural enterprises should be worked out with due regard for the development of both public production and private subsidiary farms of citizens living on their territory. At the same time, the following fundamental directive was given: To proceed from the fact that, being an integral part of socialist agricultural production, citizens' private subsidiary plots, leaning on the assistance of kolkhozes and sovkhozes, are called upon to more fully meet the needs for meat, milk, eggs, potatoes, vegetables, fruits, and other food products and to sell the surplus through cooperative trade and at the kolkhoz market.

To simplify planning and reporting, USSR Gosagroprom and the USSR Central Statistical Administration were instructed to significantly reduce the number of indicators in planning documents, in annual reports, and in current reporting of kolkhozes, sovkhozes, and other enterprises of the agro-industrial complex as of 1987.

The procedure of the planning of mixed feed production is being improved. Beginning in 1987 the volume of production of mixed feed and of protein and vitamin additives and their assortment will be determined by councils of ministers of the Union republics with due regard for the proposals of local Soviet and economic bodies. The existing procedure of providing poultry factories, large animal husbandry complexes, and special consumers with mixed feed has been preserved.

Simultaneously with this feed consumption norms ensuring a reduction of grain expenditures per unit of animal husbandry output are being introduced. In this connection the conference of the party and economic aktiv of Kazakhstan oblasts and of krais and oblasts in Siberia and the Urals on 7 September 1985 noted that we could not cover unfinished work in feed production with big volumes of grain consumption for fodder purposes. For the time being, however, farms in the RSFSR nonchernozem zone consume concentrated feed 1.5- to 2-fold more than the norm.

The planning of the production of agricultural products is now closely connected with their processing. USSR Gosagroprom, USSR Gosplan, and councils of ministers of the Union republics during the development of long-term and annual plans are obliged to envisage the formation of specialized raw material zones and an efficient placement of processing industry enterprises for the purpose of establishing on this basis integrated agro-industrial associations, combines, and enterprises. All of them should ensure an overall utilization of raw material resources, the production of high-quality food products and industrial goods, and a reduction of transport and other costs. On farms and in consumer cooperative organizations it is necessary to develop capacities for the storage and processing of agricultural products for their more uniform delivery to consumers.

The Kuban Agro-Industrial Combine operating on the basis of full cost accounting and self-support and with high efficiency, which was established several years ago in Krasnodar Kray, can serve as an example. Suffice it to say that during the current year the trade turnover of this combine, which

also includes grain product enterprises, will exceed last year's trade turnover 2.5-fold and that the profitability level has risen.

At a meeting held on 2 October the Politburo of the CPSU Central Committee noted the positive results of work at the Kuban Agro-Industrial Combine in Krasnodar Kray and approved the proposals on the establishment of another 14 such combines in the RSFSR, the Ukrainian SSR, and the Belorussian SSR. An increase in the production of agricultural products and high-quality foodstuffs on the basis of modern equipment and technology and the production, procurement, processing, and sale of products on the basis of cost accounting and self-support are the main tasks of these new formations. In the future it is considered advisable to establish agro-industrial combines on an experimental basis in other republics, krays, and oblasts as well.

If the grain product sector, in particular the elevator industry, is examined at greater length, it should be mentioned that the shortcomings noted in the decree were also allowed in it. The planned indicator of total overall freight turnover has operated as the basic one here for decades. Along with its universality, which makes it possible to bring various grain operations (including transit operations) together, it stimulates an increase in their volumes in the search for well-being with the plan fulfillment and needs to be improved. Such "well-being" often is a hindrance in the cause of introduction of the achievements of science and technology.

For a long time the grain product sector has reconciled itself to the utilization of unproductive transport equipment, so long as life has not forced it to modernize it. An extensive utilization of the motor vehicles of the Kama Motor Vehicle Plant and motor vehicle trains for the delivery of grain to grain receiving enterprises demanded a large-scale replacement of low-power truck tippers and truck scales, which have operated for many years, with large-freight mechanisms. Although this work is being done, it has not yet been finished. The retooling of elevators with the installation of more productive bucket elevators has by no means been completed.

Problems concerning an increase in the hermetic nature of elevator silos to ensure an active ventilation and fumigation of grain in them await a practical solution. The output of a new grain cleaning machine--a vibrating centrifugal separator--is developing slowly. Many methods and instruments for determining the quality of grain need to be improved--mainly, their precision needs to be increased.

Not all basic grain operations are encompassed by cost accounting. To this day such operations as grain drying and cleaning are financed not according to the estimate of distribution costs, like all the rests, but with the discounts received from grain deliverers, although they are produced in a flow with other types of operations. At the same time, expenditures on grain drying and cleaning (per ton, on the average) are increasing systematically. The prolonged experiment in putting the financing of grain drying and cleaning in order should be completed more rapidly.

As of 1987 the ministry's enterprises are being transferred to new conditions of management. The basic directions in this transfer are as follows:

extension of the rights of production associations (enterprises) in planning and economic activity;

application of new normative planning methods;

intensification of the effect of the economic mechanism on accelerating scientific and technical progress;

increase in responsibility for final work results;

increase in incentives for the output of improved-quality products and in responsibility for low-quality products;

increase in suppliers' responsibility for the fulfillment of contractual obligations.

The collective contract and cost accounting are the key factors in raising production efficiency. The following task was set for USSR Gosagroprom and its local bodies: To organize the transfer of all production subdivisions of agricultural, processing, and other enterprises to the conditions of the collective contract and cost accounting in the shortest time and to ensure the introduction of the shop structure of production management and of the system of wages for managers of structural subdivisions and specialists for final products. The collective contract in coordination with cost accounting should also be introduced in the system of grain product enterprises.

The system of crediting and the procedure of financing the capital investments of farms and enterprises of the agro-industrial complex is being improved.

As the economy of kolkhozes, sovkhoses, and other enterprises and organizations of the agro-industrial complex is strengthened, USSR Gosagroprom and the councils of ministers of the Union republics should transfer their activity to self-support principles.

Such are the basic measures for the introduction of economic methods of management in the agrarian sector.

4. Increase in interest in and in responsibility for final results. In the set of economic measures adopted by the party and the government great importance is attached to extending the rights of kolkhozes, sovkhoses, and other enterprises and organizations of the agro-industrial complex in the solution of economic problems and to increasing the interest on the part of labor collectives and all management links in and their responsibility for ensuring high final results.

All these measures are directed at successfully realizing the USSR Food Program and improving the well-being of the Soviet people. The decree of the CPSU Central Committee and the USSR Council of Ministers "On the Further Improvement in the Economic Mechanism of Management in the Country's Agro-Industrial Complex" draws special attention to seeing to it that republics, krais, oblasts, and rayons systematically ensure an improvement in the supply

of foodstuffs for the population through the maximum utilization of local resources and the capabilities of kolkhozes, citizens' private subsidiary plots, collective horticulture, and subsidiary plots of enterprises, organizations, and institutions, as well as through an extensive introduction of waste-free technology at enterprises of the food and other sectors of the processing industry and an improvement in the quality of food products.

To increase the interest of local bodies in raising the production of food products and in improving their supply for the population, it is considered advisable, after the fulfillment of plans for delivery to Union and republic stocks, to leave the full resources of meat, milk, and other products in localities. If necessary, republics, krais, and oblasts can exchange foodstuffs on a contractual basis, widely utilizing consumer cooperatives for this.

The procedure of planning the purchases of many types of products is also changing. Beginning in 1987 plans for state purchases of livestock, poultry, milk, eggs, potatoes, vegetables, melon crops, fruits, berries, table grapes, and citrus and dry fruits will not be assigned to Union and autonomous republics. Firm plans for deliveries of appropriate products to all-Union and republic stocks (or subsidies from them) throughout the 5-year period, as well as plans for deliveries of pedigree livestock, will be established for them. Firm plans for purchases of agricultural products in accordance with the established procedure are assigned to rayons and farms.

The role of consumer cooperatives in improving the supply for the population through local resources is increasing significantly. The following task was set for cooperative workers: To organize the conclusion of long-term contracts for purchases of agricultural products on kolkhozes and sovkhoses and from the population, to ensure the development and strengthening of the procurement and trade network, to occupy firm positions at the kolkhoz market, and to actively affect market prices.

An increase in the production and procurement of grain remains the key problem in farming. An extensive introduction of intensive technologies is a reliable path of increasing grain harvests. A system of efficient measures for stimulating the procurement of grain, including wheat of durum, strong, and valuable varieties, has been developed and introduced as of the current year. Annually stable grain purchase plans at the level of the 1986 plan and purchase price increases for an above-plan sale have been established for the 12th Five-Year Plan. They are paid to kolkhozes, sovkhoses, and other agricultural enterprises for grain sold in excess of the average annual level of the 11th Five-Year at the rate of 100 percent provided state plans for grain sale are fulfilled and 50 percent when the plan is not fulfilled. At the same time, increases in purchase prices of durum wheat, buckwheat, millet, peas, beans, and lentils are paid irrespective of whether the level of grain sale as a whole is exceeded.

The existing procedure of payment of 50-percent increases in purchase prices to farms for the sale of sunflowers, sugar beets, raw cotton (fiber), soybeans, flax, hemp, potatoes, tea leaves, common hop, mustard, essential oil crops, poppy, livestock, poultry, milk, wool, karakul, and horns to the state

in excess of the average level attained during the 11th Five-Year Plan has been extended until the end of the 12th Five-Year Plan. Table grapes, citrus fruits, common onions, garlic, and lucerne, clover, and cereal grass seeds have been additionally included in this list.

Creatively using Lenin's idea of prodnalog, the CPSU Central Committee and the USSR Council of Ministers have established a new economic incentive--the countersale of motor vehicles, tractors, individual types of agricultural machines, and some materials in big demand to farms overfulfilling the plans for the sale of grain to the state. A special stock has been created for this purpose.

What this gives kolkhozes and sovkhoses is exemplified by farms in Stavropol Kray. In 1986 the Rodina Kolkhoz in Trunovskiy Rayon sold 7,300 tons of grain (including 5,000 tons of strong wheat) to the state, or almost twice as much as the plan. For the above-plan sale of grain the kolkhoz received a double price and, in addition, five trucks, one passenger car, a bus, and a minibus were allocated to it. Kray agroprom gave the kolkhoz orders for additional building materials--cement, timber, slate, glass, and so forth. The Put Lenina Kolkhoz in Turkmenskiy Rayon received the same quantity of equipment and building materials for an above-plan sale of grain in the form of countersale. In all there are several hundreds of such farms in the kray.

The decree of the CPSU Central Committee and of the USSR Council of Ministers "On Measures To Increase the Stability of the Country's Grain Farming and Grain Fodder Resources During the 12th Five-Year Plan," in order to increase state resources of high-quality wheat grain, permitted under appropriate conditions its acceptance from kolkhozes and sovkhoses in the course of grain procurements in exchange for mixed feed and grain of fodder crops in terms of 1.3 quintals per quintal of wheat in standard weight.

To increase the interest of farms in raising the production of sunflower seeds, soybeans, and sugar beets, the countersale of mixed feed, cakes, pulp residues, and molasses was introduced.

As already noted, to improve the supply of foodstuffs for the population, after the fulfillment of plans for delivery to all-Union and republic stocks, resources of meat, milk, and other products will be fully left at the disposal of local bodies. For this purpose kolkhozes, sovkhoses, and other agricultural enterprises are permitted to sell up to 30 percent of the planned volume of purchases of potatoes, vegetables, melon crops, fruits, berries, and table grapes, as well as above-plan products, to consumer cooperative organizations and at kolkhoz markets, which is credited toward the fulfillment of the purchase plan. Thus, all food resources left on farms after the fulfillment of plans by them will be at their complete disposal.

The more flexible, new procedure of sale of fruit and vegetable products has already shown its high efficiency this year, which is indicated by vegetable markets in Moscow, Leningrad, and other cities and industrial centers. The consumer received fresh vegetables and fruits, prices at the kolkhoz market were lowered, losses of perishable products on farms were reduced, and their income increased. At the same time, both consumer cooperatives and processing

enterprises should improve the organization of procurements in order to ensure the fulfillment of their plans. Now, in case of nonacceptance of fruit and vegetable products, the farm is able to sell up to 30 percent of them at the kolkhoz market, which is credited toward the fulfillment of the plan for sale to the state.

The mechanism of formation of purchase prices of agricultural products is being improved primarily in the direction of their close coordination with changes in the prices of industrial articles and services to agriculture, with production costs, and with production profitability. As the need arises, ministries and departments will submit proposals to the USSR Council of Ministers on maintaining a price equivalence through an appropriate change in purchase prices in connection with the growth of production costs by kolkhozes and sovkhoses caused by a rise in the prices of industrial products. The Union republics have been granted the right, when necessary, to change, in coordination with USSR Gosagroprom and the USSR State Committee on Prices, purchase prices of individual types of agricultural products within the total amount of payments in terms of the planned volume of purchases. The payment of increases in purchase prices of products sold by low-profitable and unprofitable farms operating under worse conditions has been retained until the end of the current five-year plan.

A reduction in losses of agricultural products during harvesting, transportation, storage, and processing is the nearest source of replenishment of the food stock. V. I. Lenin attached the greatest importance to an intensified fight against misappropriation and to a stricter state supervision and control in food matters. This is also timely nowadays. Introducing order in recording stored and processed agricultural products and in writing off losses, carefully controlling their condition at all the stages of the production process, strictly observing technological discipline, and introducing waste-free technologies--all this ensures a reduction in losses, which are still big.

The paramount task of workers in the system of Gosagroprom, grain products, and consumer cooperatives is to fully preserve and to efficiently process procured agricultural products. As in everything, the human factor, knowledge, skills, and attitude on the part of workers, specialists, and managers toward the work entrusted to them play the main role here. The second year of the five-year plan is coming, responsible, new tasks and accomplishments are ahead, and there is no doubt that the workers of the country's agro-industrial complex will make an appropriate contribution to the realization of the USSR Food Program and to the fulfillment of the historical decisions of the 27th CPSU Congress.

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LIVESTOCK AND FEED PROCUREMENT

RSFSR BREEDING FARM OPERATIONAL PROBLEMS OUTLINED

Moscow ZHIVOTNOVODSTVO in Russian No 11, Nov 86 pp 34-37

[Article by A. A. Volyntsev, deputy chief, Rosplembedineniya [RSFSR Breeding Association]: "Improve the Level of Breeding Work"]

[Text] Breeding livestock are a the wealth of all the people and should be used intensively and strictly in accordance with the plan to improve the breed and productive qualities of animals. The scattering of breeding resources to commercial farms, and especially to economically weak ones, causes great material damage to the state, and sharply slows breeding improvements in livestock.

In the RSFSR, together with the strengthening of the feed base and improvements in feed content and quantity, attention is given to selection and breeding work directed towards creating large populations of highly productive livestock adapted to industrial technologies. Practical experience and scientific research show that this can be done through the extensive use of interbreed crossing of livestock with bulls of improved domestic and foreign breeds.

There are very many problems in breeding work. It is necessary to quickly organize stations (elevators) for raising bulls, create a strong network of farms and points for bull evaluation and interest farm managers, specialists and breeding services in their results. At this stage work must be structured so that each year at least 3,000 bulls are evaluated. By the end of the 12th Five-Year Plan 70 percent of cows and heifers should be inseminated by sire-improver sperm.

As of 1 January 1986, there were 6,490 sires at breeding enterprises in the republic, 73 percent of them (4,737) had been approved, 7 percent (435) evaluated and 20 percent (1,318) not evaluated for progeny quality. One of the reasons is the insufficient number of bulls from cows with 6,000 kg and higher annual milk yields.

Many breeding farms do a poor job of increasing cows' milk yields. As a result, sires are chosen from mothers with low productivity. Thus, in 1985, even in oblasts with well developed breeding facilities, large numbers of bulls were obtained from cows with low productivity, and very few from cows

with productivity over 6,000 kg. In Arkhangelsk Oblast, for example, out of 1,133 bulls, only 21 were from cows producing 6,000 kg and more milk annually, in Novosibirsk Oblast the figures were 1,200 and 72, in Voronezh oblast 297 and 4, Orel -- 924 and 3, Smolensk -- 2,057 and 25, Krasnoyarsk Kray -- 1,173 and 16, the Basnkir ASSR -- 272 and 2, and the Udmurt ASSR -- 137 and 0.

As a result, for their breeding work many production associations purchase bulls from other oblasts. These animals are not obtained from ordered mating, but from cows with low productivity and of unapproved and unreliable origin. This considerably reduces the efficiency of bull verification.

Dairy animal breeding is based upon modern achievements in population genetics and computer technology. It is directed towards improving genetic potentials by spreading the valuable qualities of some animals to the entire population.

Improvements in the equipment and techniques of artificial insemination have considerably increased the role of sires in improving dairy herds. Therefore, in all programs for large scale selection of various dairy animal populations in our country and abroad basic attention is given to increasing the intensity of selection and reliability of evaluating bull genotypes and for making maximum use of breed improvers. Such selection accounts for 90-95 percent of a breed's genetic improvement.

The raising, testing and use of bulls takes place step by step:

Planning the obtaining of replacement animals by line of origin;

Specifying bull producing herds and base farms for approving sires for progeny quality;

Choosing bulls' fathers for mating on "order";

The intensive raising and evaluation of replacement bulls according to set parameters;

Creating optimal living conditions for approved bulls and accumulating maximum amounts of sperm during the verification period;

The control insemination of animals (at least 200 head) at base (approval) farms;

Organizing the intensive raising of progeny from approved bulls;

Final evaluation of bulls by indicators for lactating daughters, and the weight gain and beef qualities of progeny;

Organizing the use of bulls evaluated by progeny quality.

In each specific case, the organizational forms and methods for raising, choosing and using bulls are determined by animal production standards, and the presence of the appropriate breeding, material and scientific-methodological base.

By 1990 at farms in the republic there should be 49 stations for raising breeding bulls for dairy and dairy-beef breeds for breeding enterprises with a total capacity for 4,440 animals. During the five-year plan it is intended to raise 145,300 dairy and dairy-beef breeding bulls, including 4,300 Holsteins.

At the start of 1986 there were 29 stations housing 3,100 animals simultaneously. These are working well in Moscow, Vladimir, Voronezh, Kuybyshev and Sverdlovsk oblasts, Krasnodar Kray and the Mordovian ASSR. They are raising promising breeds, types and lines of animals.

Concurrently, the breeding works [zavody] and sovkhoses at some production associations send practically no breeding bulls to farms and breeding enterprises. So far no bull raising stations have been set up in Kostroma, Smolensk, Tula, Chelyabinsk, Novosibirsk, Omsk and Sakhalin oblasts, Stavropol and Altay Kray, the Tatar and Bashkir ASSRs. Every year large numbers of breeding bulls are hauled into these areas from other places.

During 1986-1990 there should be quality checks of the progeny of 11,000 dairy and dairy-beef breed sires in the republic. During the first years 2,000-2,200 will be checked, while by the five-year plan's end up to 3,000.

Last year 8,356 bulls were checked. The progeny of 1,744 bulls were evaluated for quality. Thirty percent (526) of these bulls were deemed improvers. It should be said that not all production associations engaged in breeding work are seriously concerned about bull evaluation, nor is this work performed by qualified specialists. There is insufficient control over farm specialists care of the mother herd. Between the time heifers from approved bulls arrive to the time of calving about 70 percent of the animals disappear. There are various reasons for this: forced slaughtering at farms, delivery to beef combines, the loss, or even sales of calves to other oblasts. As a result, by the fifth year of bull evaluation farms do not have the needed numbers of first calves. Because of this, sires are evaluated for a smaller number of daughters or animals of similar age than is required by instructions.

Evaluations show that 30 percent of bulls are improperly awarded breeding categories. Many such errors are made in Arkhangelsk, Saratov, Orenburg, Kemerovo and Irkutsk oblasts.

Farms often inaccurately establish animals' origins. Immunogenetic departments and laboratories for checking the reliability of animal origins have been set up to find the truth.

Twenty four laboratories in the RSFSR are engaged in immunogenetic evaluation, 12 of these are production operations, organized with the rights of departments at production administrations for breeding work. As a result of systematic research on blood groups there has been a considerable improvement in the accuracy with which animals' origins are registered. For example, in 1980 at the Lesnyye Polyany State Breeding Works in Moscow Oblast, 32 percent of the animals were inaccurately registered, in 1985 10 percent were, in the Arkhangelsk State Breeding Works in Arkhangelsk Oblast the figures were 25 and

10 percent, and at the Arktika Sovkhoz in Murmansk Oblast, unreliability declined from 46 to 11 percent.

In accordance with the comprehensive plan for breeding work in the RSFSR, by 1990, 300,000 dairy cattle should be certified by blood group, compared to 62,000 in 1985. This is a 4.8 fold increase.

Immunogenic monitoring permits the genetic situation in animal breeds and populations to be followed in each republic, kray and oblast and prompt corrections made in the selection program. As a result of these measures, selection and breeding work is being raised to a new level and there will be sharp improvements in production and breeding records.

Recently much has been done to supply the mating network with highly valued sires. At the start of the year the average productivity for mothers of bulls belong to breeding enterprises was 6,328 kg of 4.08 percent butterfat milk, and for mothers of fathers, 7,662 kg of 4.26 percent milk.

At farms in Sakhalin, Magadan, Voronezh, Sverdlovsk and Chimgent oblasts and the Karelian and Mari ASSR's 40-75 percent of cows and heifers are inseminated by sperm from sire-improvers.

At the same time, in large animal production regions such as Vologda, Leningrad, Kaliningrad, Bryansk, Smolensk, Gorkiy, Kursk, Tambov and Saratov oblasts, the Tatar ASSR, Krasnodar, Stavropol and Altay krays, sire-improver sperm is only used for 3 to 28 percent of the cows and heifers, while at farms in Kaluga, Amur and Pskov oblasts it is used for less than 1 percent. On the average in the RSFSR, sire-improver sperm is used for 20 percent of artificially inseminated animals.

Last year there was somewhat of an increase in the load per bull. It reached 2,333 head. However, in 76 percent of the oblasts, krays and autonomous republics it was considerably lower than optimal.

At present in farms in the republic 71.4 percent of cattle are high blooded: Black-spotted -- 67 percent, Kholmogor -- 81, Simmental -- 62, Red Steppe -- 89 percent, and Swiss -- 59 percent. Last year cow productivity in all breeds averaged 2,435 kg of milk, at breeding works -- 3,881, at breeding sovkhozes -- 3,312, and at breeding farms [fermy] in all categories of farms -- 2,845 kg. Cow productivity at breeding farms exceeds the republic average for cows by 545 kg, or 18.3 percent.

Cow productivity is distributed by breed as follows: Ayrshire -- 2,966 kg, Black-spotted -- 2,669, Kholmogor -- 2,625, Kostromskiy -- 2,364, Swiss -- 2,344, Simmental -- 2,214 kg, and Yaroslavl -- 2,142 kg.

The best farms for the Black-spotted breed are: the Lesnoye State Breeding Works in Leningrad Oblast, 6,073 kg of milk per cow in 1985, the breeding works at the Leninskiy Luch Kolkhoz -- 5,719 kg, the Krasnoarmeyskiy Breeding Works in Krasnodar Kray -- 5,510 kg, and the Solnechniy Breeding Sovkhoz in Chelyabinsk Oblast -- 5,020 kg.

For the Red Steppe breed, yields at the Nizne-Irtysh Breeding Works in Omsk oblast were 5,069 kg, at the Kubanets Breeding Sovkhoz in Krasnodar Kray -- 4,706 kg, at the breeding works at the Proletarskaya Volaya Sovkhoz in Stavropol Kray -- 4,267 kg each. During 1985 82 farms in the republic obtained more than 5,000 kg of milk per cow.

Between 1977 and 1985 cow productivity at many breeding works improved considerably. Average yield per Black-spotted cow at the Petrovskiy Breeding Works in Leningrad Oblast increased by 1,527 kg and is now 6,610 kg. At the Rossiya Breeding Works in Chelyabinsk Oblast, with a herd of 2,000 Urals Black-spotted cows, milk production increased from 3,616 kg to 5,025 kg; at the Nizhne-Irtyshskiy Breeding Works in Omsk Oblast (Red Steppe breed) it increased from 3,955 to 5,069 kg; at the Buyskiy Breeding Works in Kirov Oblast each Kholmogor cow produces 4,290 kg of milk.

At the same time there are farms where animals' breeding value is lost. Over the past 12 years at the Breeding Works imeni Kirov in Kaliningrad Oblast milk yield per cow has dropped from 3,540 kg to 2,402 kg, at the Kosinskiy in Kirov Oblast it has dropped from 4,335 kg to 2,759 kg, at the Breeding Works imeni Kirov in Kemerovo Oblast it has dropped from 4,112 kg to 3,063 kg. The calving rate has declined sharply at many farms. Last year the Menshchikovskiy Breeding Works in Kurgan Oblast only obtained 46 calves per 100 cows, the Gorodnyanskiy Breeding Works in Smolensk Oblast obtained 59, while 61-63 calves are obtained from each 100 cows at these breeding farms: the Mezenskiy in Arkhangelsk Oblast, the Pobeda Oktyabrya in Voronezh Oblast, the Tatarka in Smolensk Oblast and a number of others.

Local agricultural organs should examine the reasons for unsatisfactory work at these farms and take the measures necessary to improve them. If this does not help, then it is necessary to solve the question about converting breeding farms into commercial ones.

At present 31 breeds of dairy and dairy-beef cattle are bred in the republic. The most widespread breeds are Simmental (31 percent), Black-spotted (27 percent), Red Steppe (14 percent), Kholmogor (7 percent), Swiss (5 percent) and Bestuzhev (4 percent). In view of the requirements for the intensification of dairy cattle raising, in the long term there will be changes in the percentages of breeds. The number will be reduced to 2-3 in each oblast, kray and autonomous republic. Guidelines for dairy breeds have been selected. This will be greatly helped by interbreed crossing using dairy sires obtained from domestic and import selection.

In the long term it is intended to have 37 percent Black-spotted, 27 percent Simmental and 14 percent Red Steppe.

The prolonged use of highly productive cows will make it possible to reduce outlays for raising young animals, to obtain higher annual output during the life of the animal and to improve the breed's inherited characteristics -- the genetic potential for dairy productivity. There are several examples of the prolonged intensive use of cows in a herd and their giving birth to offspring with good breeding qualities. For example, Klaske-1610, a Black-spotted cow belonging to the Detskoselskiy Breeding Works in Leningrad produced 84,649 kg

of 3.73 percent milk in 9 lactations. Lyustra-1605, a Black-spotted cow at the Lesnoye Breeding Works in Leningrad Oblast yielded 82,999 kg of 3.74 percent butterfat milk over 11 lactations, Chapnaya-171, a Kholmogor belonging to the Breeding Works at the Arkhangelskiy OPKh [Experiment Demonstration Farm] Experiment Station for Animal Husbandry produced 70,199 kg of 3.08 butterfat milk in 13 lactations. Cow No. 75, a Black-spotted breed at the Petrovskoye State Breeding Works in Moscow, produced 13,348 kg of 3.65 percent milk in 305 days of the Vth lactation, the highest.

However, in recent years the length of time animals are used has declined sharply, and the annual percent of culling is increasing. In 1985 18.9 percent of the main cow herd in the RSFSR was culled, while on farms in Kurgan Oblast the figure was 29.3 percent, in Krasnodar Kray -- 27.5 percent, in Leningrad Oblast -- 25.7 percent, in Saratov Oblast -- 25.2 percent and in Moscow Oblast 22.6 percent. On the one hand this is explained by wastefulness in animal use, and on the other by the justified selection culling of first calf cows during herd formation. The large percentage of animal culling leads to reductions in the time cows are used during lactations IV-V, although widespread practice at kolkhozes and sovkhozes shows that the highest productivity for the majority of breeds is attained during lactations VI-VII.

The optimal age structure for a herd of dairy cows should be approximately as follows: first calf -- 20-25 percent, second 18-20 percent, third -- 15-18 percent, fourth to seventh -- about 30-35 and more than 7 calves -- 15 percent. The longer use of cows in a herd does not require great outlays and depends to a great extent upon improvement in the zootechnical and veterinary servicing of animals, the proper organization of feeding and care, and upon organizational work by breeding service specialists.

Under present conditions, when cow productivity at breeding farms should average at least 5,000 kg of milk annually, it is necessary that by the time heifers are 6-7 months old they weigh at least 450 kg and, by the time they bear their first calf, 500 kg. If they are properly fed, animals which weigh this much reach 600-650 during 2-3 lactations, this guarantees yields in the 5,000-6,000 kg range.

Attaining 6,000-7,000 kg milk yields at breeding operations and 4,000 kgs at commercial operations requires the radical reexamination and choice of main characteristics for selection.

In dairy cattle breeding zones this criterion should be milk yield. Other criteria, including strength, typicalness and return from feed, should correspond to the main requirement.

In various zones of the RSFSR work is being done to create new types of dairy cattle by using improved breeds: Holstein Black-spotted and Red spotted, Anglerskiy, Monbelyardskiy, Swiss of American extraction, Ayrshire and a number of others. There are sizable increments in dairy productivity on those farms which have created better feeding and living conditions for cattle. In 1985 5.5 million animals were inseminated with sperm from all types of improver bulls. This includes 2.6 million cows and heifers with sperm from Holsteins. Holsteins occupies the leading role among improver breeds, their

share is 47.3 percent. Insemination rates are increasing and will grow steadily.

Results from 1985 show that the productivity of the new types of cows is as follows: When Black-spotted breeds are crossed with Holstein bulls (with 3,217 kg milk yields for cows at base farms) a F₁ 50 percent thoroughbred hybrid produced 235 kg of additional milk in the first lactation, while the same hybrid crossed "with itself" had a 484 kg increase. When Kholmogor cattle were crossed with Black-spotted Holstein bulls (the mates yielding 3,227 kg of milk) the hybrid's yields increased 621 kg for 50 percent thoroughbreds, 305 for less than 50 percent thoroughbreds, and 293 kg for more than 50 percent ones; when Red Steppe cows were crossed with Holstein Red-spotted bulls (mates milk yield -- 2,607 kg), the yield increase during the first lactation was insignificant, only about 3 kg). For the third lactation and a 3,098 milk yield from the mates there was a 568 kg reduction in yield. When Red Steppe cows (with a 2,333 kg first lactation yield and 2,647 kg from the third and latter lactations) were crossed with Anglerskiy bulls, there was a 90-219 kg increase.

When Simmental were crossed with Monbelyardskiy bulls there was practically no increase in milk yields. In their first lactation Simmental hybrids with Red spotted Holstein bulls had 551 kg increases, while if they were more than 50 percent hybrid the increase reached 1,301 kg. In lactation III and greater, half blooded hybrids had 631 kg increases over the 3,539 kg yields from mates.

In all stages in breed improvement work it is necessary to assure the required care and feeding. This will make it possible to realize genetic potentials for productivity in cows. It should be close to the average indicator for the improver breed.

Therefore, in the first stage feed consumption per standard head should be at least 4,500-5,000 feed units. A cow's annual ration should include 25-30 quintals of hay, 15-20 quintals of haylage, 30-40 of silage, 35-40 of feed roots and 80-90 of green fodder. Three hundred fifty to 400 grams of concentrated feeds should be provided for each liter of milk produced.

The participation of breeding farms in breeding animal competitions and at republic, oblast and rayon animal shows and exhibits is an important part of breeding work.

However, breeding services in some autonomous republics, krays and oblasts do not present farms or better animals at the All-Russian Competition for the best indicators in the development of breeding cattle, poultry and bees. Last year no farms or animals from any of the following areas were presented: Komi, Kalmyk, North Osetian, Chechen-Ingush or Buryat ASSR's, and Bryansk, Astrakhan, Orenburg or Amur oblasts.

There should be regular (every 2-3 years) oblast animal exhibitions and annual rayon ones. Money is provided for these purposes, but, unfortunately, is not used enough.

Reliable work by all elements in the agro-industrial complex, and precise work discipline on the part of each collective and specialist will be a good contribution to fulfilling the Food Program for animal production and the points and requirements ensuing from the 27th CPSU Congress.

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LIVESTOCK AND FEED PROCUREMENT

UKRAINIAN SOYBEAN OUTPUT INCREASE ADVISED FOR QUALITY FEED

Kiev PRAVDA UKRAINY in Russian 24 Dec 86 p 2

[Article by A. Dusheyko, candidate of biological sciences, senior scientific associate, Ukrainian SSR Academy of Sciences Institute of Biochemistry, and A. Leshchenko, candidate of agricultural sciences, Honored Agronomist of the Ukrainian SSR: "The Strength of Feeds is in their Quality"]

[Text] Acceleration now touches upon all spheres of the economy, including agriculture and, in particular, animal husbandry. At many farms this sector is still lagging and has low profits or is losing money. Consequently, it is necessary to have approaches and solutions which will assure its rapid improvement.

However, acceleration does not presume hustle and bustle, but thorough, thoughtful scientific analysis of past errors, the precise calculation and selection of the proper guidelines for the future, painstaking and goal directed organizational work. Balanced feeding is the key question for scientific-technical progress in animal husbandry. Its principle is to give the animal everything and nothing extra. That is, all nutrients in the ration should be in amounts and ratios which will completely satisfy the organism's requirements for highest productivity. Some of them are nonessential -- they can be synthesized in the organism and transformed. These are the nonessential amino acids, carbohydrates and fats. By weight they are the ration's main components. Only a tenth, hundredth, or even ten thousandth are essential nutrients. These include amino acids, vitamins, macro and microelements. However, as they say "little bodies have great souls". If there is not enough of just one essential component no other one can compensate for it. Animal productivity will then stay at the level of the limiting factor, similar to water in a tub with holes at various levels draining out to the level of the lowest hole. The organism gets rid of all excess. This means energy losses and overloading of the animal's excretory system.

If one looks at feed production from this perspective, then clearly the biggest bottleneck for farms in the republic is not so much shortages of feed or protein, but shortages of various essential components in feeds, especially the essential amino acids -- lysine, tryptophan, methionine, threonine. It should be kept in mind that the concept "protein" does not at all reflect the qualitative makeup of albumin. It covers all albuminous and

nonalbuminous substances containing nitrogen. Therefore, if feed is evaluated only with regard to its protein content then horns and hooves are the best feed because they have more nitrogen than dry milk or eggs.

Almost one half of an animal's dry weight is albumin, the synthesis of which requires amino 20 amino acid "bricks" of various size and shape. Thanks to their own "bioshop" -- the rumen -- ruminant animals synthesize all 20 amino acids. Therefore, albumin quality is not so important to them, it is only necessary that there be normal amounts of nitrogen, nitrogen, that is protein. Other animals (swine, poultry) can only synthesize 11 amino acids, they must obtain the other 9 in ready form. Therefore, swine and poultry do not need protein so much as they need full value albumin, balanced for all essential amino acids. This is why the term "protein supply" makes sense only for ruminants. Also, in contrast to nonruminants, they also supply their own water soluble vitamins.

All this must be taken into consideration in planning feed production. It then becomes clearly incorrect to set the republic's animal husbandry protein needs at 12 million tons, or 105 grams per feed unit, without taking essential amino acids (if only the first two -- lysine and methionine) into account. One can provide all the "calculated" protein in the ration, but the albumin problem will not be solved if this protein is not balanced for essential amino acids. For example, wheat averages 12 percent protein, but its albumin is very poor in lysine and rich in leucine. In order to meet requirements for scarce lysine, animals should be given more feed, but then they will obtain several times more leucine than needed, leading to disturbances in albumin synthesis, slower growth and overconsumption of feed per unit of output. A disbalance of amino acids is more harmful than a shortage.

Nevertheless, many Gosagroprom instructions recommend that wheat make up a third or more of the grain component in the mixed feed structure. The albumin shortage in traditional rations for animals will lead to a 2 or 3 fold overconsumption of grain per unit of output. Such overconsumption in the republic totals about 3 million tons annually.

All this shows that it is very important to provide animals with full valued albumin. This can be done only through the most efficient, scientifically based "mating" of field and herd. Cropping structure should be appropriate to animal production specialization. This means that it is necessary to grow crops which will not only provide feed units and protein, but the entire assortment of essential feed components. They should also guarantee that in swine production, for example, daily weight gain reach 500-600 grams and grain consumption per kilogram of weight gain not exceed 4 kg.

Programs for the albumin problem have been repeatedly worked out and decrees passed. However, they are not implemented for a number of reasons, the main ones being the low scientific level of these programs, insufficient software and organizational-operational support, and the lack of control.

An analysis of the volumes and structure of world feed albumin production shows that soybeans have a leading role in solving this problem. Their

worldwide production is steadily increasing, last year reaching almost 100 million tons (half of this in the United States).

There is no other crop which produces as much full valued albumin in 100 days of growth as do soybeans. They most completely meet animal requirements for essential amino acids. Therefore soybean albumin has the highest coefficient for conversion into animal albumin. Also it is cheaper than other plant albumin and several times cheaper than albumin of animal or microbiological origin.

The biological value of soy albumin approximates that of dried milk. Special studies show that swine fed corn-soybean diets without vitamin and mineral additives have 500-600 gram average daily weight gains and 3.70-3.34 kg of feed are consumed per kg of weight gain. What does it mean for a farm to increase average daily weight gain from 200 to 500 grams? It means cutting the length of the production cycle in half, halving feed consumption per unit of weight gain, reducing direct outlays per quintal of weight gain by more than half and reducing production costs 1.8 fold.

The advantages of soybeans, or more accurately, soybean cake, for swine production are not limited to the intensity of animal growth. Piglet loss declines rapidly when they are fed soybeans. According to reports, losses in the republic are 3-4 percent, but actually they are 7-10 fold higher. Depending upon its age, the loss of each animal means the loss of 100-300 kilograms of feed, including 70-200 kilograms of grain. According to our calculations, every year losses in the republic due to piglet death total 100 million rubles.

Due to insufficient albumin in rations, half of the feed grains feed to poultry and swine really wind up in manure.

If rations were balanced for essential amino acids we would save at least 10 times more than the 3 percent of total grain used (as planned for the 12th Five-Year Plan). Grain consumption per unit of weight gain is now 2-2.5 higher than the norm. Grain can be replaced by beets, potatoes, squash and other carbohydrate feeds only if there is full valued albumin available.

Mixed feed quality can be sharply improved with soybean cake. Unfortunately, it is no secret that mixed feed nutrititional value is low. Large amounts are wasted in processing and transportation. Also, our industry still does not supply animal production with complete assortments of micro-additives. Therefore, there is no guarantee that these additives will have any effect. Micro-additives have been put into mixed feeds for more than 10 years. This of course increases feed costs -- a ton of additives costs about 500 rubles. About 60,000 tons of additives are produced in the republic annually. However, feed consumption per unit of weight gain is not declining.

In addition to soybeans, soybean green fodder, straw and pods are fed to animals. Soybeans are also used for silage, hay, haylage, grass meal, briquettes and pellets. Soybean green fodder is an excellent additive to corn silage. According to numerous experiments in the Ukraine, mixed plantings of corn and soybean yield as many feed units as does corn, while the harvest of

digestible protein exceeds it by 170-200 kg, that is by 40-50 percent. Nothing is now hindering the introduction of mixed planting, there are modern silage harvesting machines and herbicides equally effective on both crops.

Of course, while placing priority upon soybeans, one must not oppose them to other albumin crops. The albumin problem cannot be solved in a stereotyped manner. In each individual case local soil-climatic, farming and other conditions must be taken into account. It seems to us that all publically owned animals in our republic can be rapidly, reliably and cheaply supplied with albumin.

However, potentials for growing soybeans in the republic are far from completely used. Many mistakingly feel they are a low yield crop. In modern highly specialized agriculture the yield from any crop depends directly upon the attention paid to it. This includes the type of land devoted to it. It is one thing to plant soybeans on 5-10 hectares, while it is quite another to plant 100-200 hectares. It is easy to "forget" a small plot and not till or harvest it on time, thus losing large amounts. This compromises it. There is a different attitude towards soybeans if valuable fields are devoted to them. This has been repeatedly shown by practice.

In our republic there are several farms which obtain 25-30 quintals per hectare of soybeans from hundreds of hectares of watered land and 20-25 quintals from unwatered. Even with repeated plantings on irrigated land, yields are up to 35 quintals per hectare, depending upon the variety (data from the Crimean Agricultural Experiment Station). Using intensive technology for soybean production developed by the collective at the Poltava Agricultural Experiment Station of the "Elite" Scientific-Production Association (V. A. Narizhnyak is the manager) on unirrigated land in the forest-steppe zone yields can reach 20-25 and more quintals of beans or 250-280 quintals of green fodder per hectare. This is 10-12 quintals of balanced protein. In 1986, a dry year, the strip cropping method, (alternating one grain drill wide strips of soybeans and corn), was used at the Chervona Zirka Kolkhoz in Novosanzharskiy Rayon, Poltava Oblast (V. M. Kosyak is chairman). Soybean yields were 16.6 quintals per hectare and corn grain yields 74.5. Both crops had higher yields than for ordinary technology. This once again shows that references to soybeans' low yields are groundless. True, this requires a nonstereotyped, creative approach. What kind of a crop can endure thoughtlessness and stereotyped approaches?

Compared to the 10th Five-Year Plan, in the 11th the area in the republic planted to soybeans increased almost 2.5 fold, yields improved, 17 highly productive varieties, primarily quick and average ripening ones, put into production, there were widespread (on almost 1 million hectares) mixed plantings of corn and soybeans, and technological processes for growing and feeding soybeans to animals were developed. In general, however, soybean production has still not attained large scales and specialization with appropriate material-technical supplies. It has not become a priority crop of state importance. The curtailment of the practice of paying for soybeans with concentrate, in ratios of 1:4, which, of course, was very advantageous to farms, had a negative effect upon production increases.

For reasons not understood, the 11th Five-Year Plan goals of increasing soybean plantings to 300,00 hectares, and gross harvest to 450,000 tons remained unfulfilled. This could not help but harm the republic's animal production, primarily swine. Instead of an improved situation in the 12th Five-Year Plan, soybean plantings were reduced 50 percent. In some oblasts they will only be planted on a few hundred hectares, and in Ternopol Oblast on 100. And this is when 75,000 hectares of seed soybeans are needed just to supplement corn silage.

The albumin feed production plans worked out at many oblasts, rayons and farms are not distinguished by anything new, they remain completely in the traditional spirit. If nothing is changed, nothing will change. What then will happen to acceleration?

The intensification of animal production requires developing a long term comprehensive program for the large scale growing of soybeans in the republic, designating the most favorable soil-climatic zones for this crop, providing material-technical and scientific support and setting firm plan targets. There should also be coordinated ties between the three levels of work: growing, processing and using.

In the past few decades there have been revolutionary changes in agricultural production all over the world. Animal and feed production have moved to the forefront. Better lands are devoted to feed production, while fertilizers and herbicides are applied to them. There have been sharp increases in the production of high protein and high lysine feeds, and a new sector has appeared -- the feed production industry. Feed crops are biologically and economically evaluated. Computers are widely used to compile rations. This is simply the only way to intensify animal production.

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MACHINERY, EQUIPMENT

PRIVATE PLOT EQUIPMENT UNDERSUPPLY CONTINUES

Moscow SELSKAYA NOV in Russian No 8, Aug 86 pp 16-18

[Interview with V.A. Moiseyev, chief of GLAVKOOPKHOZLESTORG by M. Fedotova; date and place not specified: "A Wider Step With Small Scale Equipment"]

[Text] Notwithstanding certain positive advances, the mechanization of labor-intensive processes in the private economy remains a weak area. Just as in the past, manual labor predominates on the private plots and, just as in the past, too much time is being spent out on these plots.

The following data was published by agricultural economists V.A. Bogdanovskiy, I.V. Makarova and M.P. Fedorova: "According to materials obtained from our study of time budgeting by the rural population, for kolkhoz and sovkhos workers, carried out on farms in a number of oblasts in the nonchernozem zone of the RSFSR during the 1982-1983 period, women spend 2 hours and 50 minutes of an average annual day working on their private plot and men -- one hour less. This increases the total labor workload of men to 11 hours and that for women -- to 12 hours daily, which exceeds to a considerable degree the same indicators for the municipal population." (It is good for municipal workers to be aware of this fact, including the designers of agricultural machines and implements.) And further: "Labor-intensiveness on the private plots is especially high during the summer and autumn period. The work performed by men reaches 2 hours and 33 minutes and women -- 3 hours and 47 minutes."

These figures serve to sound an alarm: urgent and serious assistance must be furnished to individuals in managing their private plots with fewer expenditures of labor and time. Everyone profits from this, including public agricultural production and any other production operation in which an individual who manages an LPKh [private plot] participates.

Ten years ago, they were only beginning to discuss the mechanization of labor-intensive processes in the private economy, there were only rough outlines for a program and they were searching for those whom they could task with producing the first models. It was difficult to place orders at industrial enterprises. There was inter-departmental correspondence, conferences were held and plans and recommendations were prepared. The titles of a number of publications can even be recalled. But today this is all a thing of the past. Industry has finally advanced from the freezing point, it has overcome the

chief difficulties and it has commenced producing the long-awaited machines and equipment.

Five years ago (1981), motorized units (these were MTZ-05's of the Minsk Tractor Plant) and motorized mowing machines (KMP-1's of the Klimovsk Machine Building Plant) were made available for sale for the very first time. In all, there were 100 motorized units and 600 mowing machines. And two years later, these new items appeared in trade roughly in the same quantity -- a drop in the sea of private plots.

But in 1984, as a result of a number of measures undertaken by the government, the production of light mechanization equipment began to climb upwards. During this year, approximately 12,000 motorized units became available in cooperative trade and in four types: Belorussian MTZ-05 with an engine rating of 4-5 horsepower, with a set of agricultural implements, at a cost of 1,900 rubles; the creation of enterprises of Minaviaprom [Ministry of the Aviation Industry] MB-1 with a rating of 4-5 horsepower, with a set of instruments, at a cost of 1,200 rubles; a "Krot" motorized cultivator with a rating of 2 horsepower, at a cost of 360 rubles; a "Super-600" motorized unit produced by the Gruzselmash NPO [scientific production association] (city of Kutaisi), with a rating of 5 horsepower and at a cost of 3,000 rubles. In addition to motorized units, the population received through consumer cooperation 3,000 KMP-1 motorized mowing machines, with an engine rating of 4-5 horsepower and at a cost of 450 rubles.

Last year, Minaviaprom organized the series production of the MB-1 motorized unit at its enterprises and it supplied consumer cooperation with 25,000 of them and also 10,000 "Krot" motorized cultivators. This was quite an accomplishment.

The cooperative trade has organized the sale of small scale equipment for LPKh's in all regions of the country. Naturally, those for whom this equipment is intended and who pay for it can be overparticular in their study and criticism of it. The time is at hand for devoting attention to the quality of this new equipment and to its operational characteristics. The editorial board has received a flood of letters containing new questions. Today the consumers are no longer asking such questions as "when will they become available?" or "where can they be procured?" but rather they are interested in learning "should they be purchased?" "where can they be repaired?" and so forth.

Consumer cooperation appears as the customer of industry and as the mediator between it and the consumer. The task of serving as a mediator is not an easy one. The plants produce the implements or mechanisms and sell them wholesale to cooperation, thus removing a load from their shoulders. And the cooperation specialists initiate direct contacts with the purchasers of the little known goods. It is here that the various successes and mistakes come to light, it is here that demand is determined and it is here that complaints are registered.

Taking into account these considerations, we selected Tsentrosoyuz [USSR Central Union of Consumers' Societies] as the place for clarifying

relationships and for learning more about the situation and future prospects. After studying the letters sent in by readers on this subject, we asked the chief of Glavkoopkhoslestorg V.A. Moiseyev to respond to some of the more typical questions.

[Question] Vyacheslav Alekseyevich! For the sake of inspiration, I wish to read you some excerpts from a letter by Nikolay Prokhorovich Kireyev in Volgograd Oblast, who created an ode to small-scale equipment upon its arrival at a private plot: "Let us compare: what a "mini" item of equipment can do against what a horse can do. It turns out that a horse cannot do everything that a "mini" is capable of doing: a horse cannot mow hay and it cannot pump water or saw wood. Nor can it irrigate fields, unload freight, mill feed for livestock or uproot trees. It can do none of these things. Small-scale equipment constitutes a green light on a farm. This fact must be understood by all -- by those who intend to produce it, while not displaying any haste, and by those who wish to procure it. One unit of such equipment consisting of several horsepower is able to accomplish a great deal on an LPKh: plowing, harrowing, cultivating, loosening of soil, digging holes, crushing, milling, pumping water, sawing and planing, arranging windrows in shocks, carrying out transport work and others. This then describes the "mini" machines. True, only in dreams. But the years do not dream as they flow. They begin and end their account in a uniform, business-like and rhythmic manner and in the absence of red tape and delays." As you can see, they have grown tired of waiting for light mechanization and yet they are pinning their hopes on it.

If the foreword is discarded (we said something in the introductory portion) and if "we take the bull by the horns" -- what do you consider to be a weak area in the matter of supplying the population with light mechanization equipment?

[Answer] I would first of all consider the rather large lag in the production of attachable implements compared to the production of motorized units to be such a weak area. Roughly 7,200 motorized units sold to the population in 1984 and 10,000 shipped to cooperative organizations in 1985 remain without sets of implements and thus they lie idle without work. The plans call for 36,000 plows, 22,000 mowing machines, 2,000 wood-working units, 2,000 feed grinders, 500 snowplows, water pumps and drills to be supplied for the 35,000 motorized units which consumer cooperation will receive in 1986. Once again, it is a case of insufficient supplies.

The sale of motorized units in the absence of attachable implements is arousing numerous complaints and criticism and certainly it is doing nothing towards promoting the formation of stable consumer demand or favorable advertising for light mechanization equipment. The gaps in plant shipments of motorized units and the attachable implements for them amount to from one and a half to two months.

[Question] Is it not true that you have dealings with the suppliers and thus you certainly know why this is occurring?

[Answer] Synchronous deliveries are being hindered by the fact that the production of the same type of attachable implement is dispersed among several

plants which are located at some distances from one another. For example, metal wheels used in work carried out with plows are brought in from Gorkiy Oblast and the plows -- from Perm, Chelyabinsk and Kaluga oblasts; mowing machines -- from Perm and Kazan oblasts.

[Question] Is it true that the proposals heard over a number of years on concentrating the production of light mechanization equipment in the same hands and on creating specialized firms or associations continue to remain urgent in nature?

[Answer] In principle, they possess certain advantages. The production of goods which are in demand is being carried out by large enterprises in various regions of the country -- fewer shipments and less delivery expenses. However, it is bad when individual implements of a set for a motorized unit and even component parts are produced at enterprises which are located at great distances from one another and with each such enterprise having its own plans, problems and priority products. Indeed, small-scale equipment is not the principal product of a majority of the plants engaged in producing such equipment.

[Question] In view of the fact that motorized units are being produced in several types and by different enterprises, will not difficulties be encountered in connection with the replacement of individual implements or parts which break down? Letters received from readers appear to be sounding the initial alarm in this regard.

[Answer] In order to free the consumer from unnecessary problems, the attachable implements being produced by various enterprises must be standardized in the interest of ensuring that they are suitable for all types of motorized units. VISKHOM [All-Union Scientific-Research Institute of Agricultural Machinery], the leading institute of Minselkhoz mash [Ministry of Tractor and Agricultural Machine Building], where all models of small-scale equipment are approved, is only slowly solving the problems concerned with standardizing the attachments for motorized units. Recently, a question was raised in this regard during a meeting of the USSR Gosagroprom [State Agroindustrial Committee].

We require industry to develop the norms for the consumption of spare parts. We still do not have such norms. Moreover, in order for a purchaser to be able to order a new part for replacing one which broke down, he must at least be able to give it a correct name and thus a catalog is required. Alas, such catalogs are not for sale. It is for this reason -- no catalogs and no defined nomenclature for spare parts -- that our koopposyltorg base is still unable to provide a service requested by the population, that of shipping spare parts by mail.

[Question] But who will pay for such expensive equipment, even though it was long-awaited, if with the slightest breakdown it is nothing more than a pile of metal? What guarantees are there? Another serious question arises: who will repair the equipment of a private plot?

[Answer] Generally the producing enterprise provides a repair guarantee for a period of 2 years. (The guarantee for engine operation -- an average of 500 hours). This is not particularly suitable and yet... And what about thereafter? Minaviaprom [Ministry of the Aircraft Industry] has an understanding in this regard with domestic services enterprises in 100 oblasts. Only the RSFSR Ministry of Consumer Services has as yet joined in the repair of light mechanization equipment. Such work is not being carried out at repair enterprises of Gosagroprom despite the fact that they have been entrusted with this responsibility.

High prices restrain many individuals from procuring small-scale equipment. Many have written in and have stated directly: "A large request for enterprises engaged in producing equipment for the LPKh's [private plots]: do not raise the prices! Who is the equipment intended for? For pensioners? We simply are not waiting for our work to be eased."

[Answer] Here there is a possibility of pleasing potential purchasers: in accordance with a trade proposal, on 10 January 1986 the USSR State Price Committee lowered the prices for motorized units. Today they are as follows: MTZ--5 -- old price (less implements) 1,313 rubles, new price -- 860 rubles; "Super-600" -- 1,500 and 1,100 rubles respectively; MB-1 -- 660 and 580 rubles; "Krot" motorized cultivator cost 360 rubles and its price now -- 270 rubles.

[Question] Beyond any doubt, this is good news. However, the new prices do not suit everybody's pocket. In terms of the idea involved, it is a good solution. P.S. Kurilo in Lvov Oblast, reasoning sensibly, wrote in to say: "Under our conditions, with limited private plot space, it is a great waste for each yard to have a motorized unit. A great amount of money is paid for a motorized unit and thereafter it is used only for a few days each year. It is my opinion that motorized units and small-scale soil cultivation equipment should be sold to collective users: to a group of manual and office workers or kolkhos members attached to a particular farm, enterprise or institute, taking into account their mutual agreement, neighborliness and so forth. Certainly, in carrying out this work a considerable role must be played by the trade unions and soviets of people's deputies."

[Answer] This is truly a realistic and business-like thought. Such practice already exists. Small-scale equipment and consumer services combines are available for rent. I believe that agricultural enterprises could play a positive role in this regard by acquiring such equipment for various needs, including for providing services for their workers and the local population. The problem of repair work would be eliminated.

[Question] Vyacheslav Alekseyevich, cooperative trade workers are obviously aware that not everybody needs a motorized unit with a complete set of implements. And not only because it is an expensive pleasure, but rather simply owing to the size and nature of a private plot, especially an orchard and garden tract, which do not require such equipment. For example, Moscow resident I.I. Prokopets, distinct from many purchasers who are distressed over the incompleteness of their equipment, wrote to us as follows: "The problem lies in the fact that there are many attachments for these motorized units

(which he saw in Kubinka, in the "Vash Dom" store). These attachments are not needed by everyone. For example, why is it that a mowing machine and a farm wagon, which cost 500 rubles, are needed for six one hundredths of a hectare of land? However, the store's director stated that since they are included in the set the purchaser must take everything."

[Answer] This is wrong. The products should be sold either on a complete basis or separately -- as the customer wishes. This is particularly true in view of the fact that the producer, as I have already mentioned, still cannot ensure regular deliveries.

[Question] Can you tell me, Vyacheslav Alekseyevich, which models of the new equipment for LPKh's are being used with great success and which with less success? Although this question may not be appreciated by all of the manufacturers, it will acquaint them with the fact that the consumers are cautious and that they should improve their work such that their products become popular and do not lie unused in warehouses.

[Answer] Certainly, we have some information available in this regard. The trade experience in light mechanization equipment and work carried out with this equipment by the first owners has shown that the "Krot" motorized cultivator is in high demand among the population and that it is readily being purchased by summer cottage residents and owners of small private plots. Customers are also displaying interest in the MTZ-05 motorized unit of the Minsk Tractor Plant. This unit is reliable in operation and it has high quality pull-type implements. There is also a demand for the MB-1 unit, produced by enterprises of Minaviaprom -- there where the customer has been adequately notified concerning the characteristics of the machine and has a complete set of pull-type implements.

There has been a considerable amount of criticism regarding the quality of the "Super-600" motorized unit produced, by the Kutaisi plant, despite the fact that it is most expensive. Consumer cooperation purchased very few of them in 1986. The customers must be aware that motorized units of this mark are by no means intended for just any conditions: they cannot be employed, for example, during the cultivation of potatoes or beets. Quite possibly it makes sense to search for a promising model by another manufacturer, since in Kutaisi they are unable to ensure high quality motorized units.

[Question] It is hoped that industry will listen to the voice of the consumers and find it possible to strengthen delivery discipline and raise the quality of the small-scale equipment. Is it possible for you to inform interested readers exactly what we can expect this year?

[Answer] We are also hoping for improvements. But I repeat that these not particularly complicated problems are being resolved very slowly. It is by no means an accident that certain hopeless thoughts are being expressed in letters sent in to the journal by readers: they ask if elderly persons who work their plots manually and with difficulty and who do not always manage the tending of their domestic livestock must wait for that day when mechanisms which will be accessible in terms of price and simple to operate become available to all.

I can report that in 1986 the trade will be supplied with 53,000 single-axle motorized units. It bears mentioning that of this number 46,000 will be produced by the aviation industry and only 7,000 by enterprises of the Ministry of Tractor and Agricultural Machine Building.

[Question] Some readers will nevertheless insist that some of their most reliable assistants on their farms continue to be their manual instruments and simple tools of labor -- spade, hoe, rake, scythe, pruning shears, feed grinder and others. What is the situation today with regard to the trade in these goods?

[Answer] The sale of manual implements increased by a factor of 1.5 during the past five-year plan. At the present time, the requirements of the trade organizations of Tsentsosoyuz [USSR Central Union of Consumers' Societies] for spades, pitchforks, rakes, hoes, rippers, weeding hoes, ridging plows, blades, knife files, wheelbarrows, garden ladders and many other items are being satisfied fully.

The trade network is beginning to receive other new types of goods, such as equipment for the maintenance of livestock and poultry and various implements used in the tending of cattle. Many different types of light agricultural equipment have appeared -- vegetable sowing machines, shears for cutting strawberry runners and others. In 1985 it was possible to procure in our stores more than 30 types of mechanisms for private plots compared to only five of six in 1980. Manual orchard and garden implements are being sold at 24 specialized "Economic Goods" stores, while goods which are in daily demand are being sold at 104,000 stores. Approximately 1,000 specialized stores -- "Modern Domestic Economy," "Home - Orchard - Garden," "Goods for a Private Plot" and "Horticulture" are engaged in selling to the population orchard and garden implements and equipment, mineral fertilizer and plant protection agents in accordance with the consumer complexes: "For Tending Livestock and Poultry," "For Horticulturists and Gardeners," "Everything for Soil Cultivation" and others.

[Question] Is it then true, according to trade information, that the population's demand for instruments and implements for the LPKh's is being satisfied fully? And that the consumer complaints regarding these products constitute a mere misunderstanding?

[Answer] Unfortunately, this cannot be said. Despite noticeable improvements in the production and trade in orchard and garden implements, the requirements of consumer cooperation for a large number of products are still not being satisfied. For example, the Pavlovsk Mekhinstrument NPO [scientific production association] of Minseikhozmash annually falls short in its production by tens of thousands of garden shears.

The problem is further complicated by the low quality of the implements. Quite often they are produced using grades of steel which do not conform to the GOST's [state standards]. As a result, the spades, pitchforks, rakes and hoes rapidly become blunt, bend and break.

[Question] And thus, regardless of how many such instruments are produced, new batches are delivered annually in increasing quantities. Is this not so? I hear you, Vyacheslav Alekseyevich, and I am seized by a distressing feeling. Poorly suited raw materials are used and the equipment on the private plots breaks down and new items are purchased. But these are deliberately useless expenditures of labor, materials and funds. I would like to believe that under the new managerial conditions the enterprises will have to pay for a useless metal conversion and pay for waste as well.

And how is the situation with regard to equipment for private plot animal husbandry?

[Answer] It can be stated directly that the technical level for many products leaves a great deal to be desired. For example, the Resekne plant for milking units, despite repeated recommendations by Tsentrosoyuz calling for design improvements, continues to produce milking units of the old modification, which are unsuitable for use and labor-intensive. In 1982, the Aktyubinskselmash Plant withdrew an old model of an electric shearing unit from production, but it has yet to organize the production of a new model.

[Question] In their letters, the readers of the journal mention a shortage of separators -- manual and electric. Although we are still not experiencing a surplus of milk and butter, it happens that, in some areas located at considerable distances from creameries, the owners of cows are forced to discard their milk.

[Answer] Here, it must be confessed, there have been clear miscalculations during various years. This year's plan for the production of separators is rather considerable -- 861,000 units -- and the hope persists that the gap will be closed.

Beyond any doubt, advances and achievements have been realized in the technical equipping of private plots and the outline of such progress is quite clear. But it is still too early to discuss the extensive introduction into operations of mechanisms and inexpensive and economical attachments. Technical progress in the rural yards and collective orchards is advancing all too slowly and under considerable strain. Thus, it is worth stating: "A wider step with small scale equipment!"

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FORESTRY AND TIMBER

TIMBER MINISTRY MANAGEMENT SHORTCOMINGS REVEALED

Bureaucratic Methods Criticized

Moscow PRAVDA in Russian 8 Dec 86 pp 1,2

[Article by Yu. Zhigaylov: "In a Maze of Circulars: Party Life: Letters from Ministries and Departments"]

[Text] An incident concerning a letter from the Krasnoyarsk Party Kraykom to Minister M. Busygin was briefly discussed in the corridors of USSR Minlesbumprom [Ministry of the Timber, Pulp and Paper, and Wood Processing Industry]. Since it concerned a problem which could not be put off, Mikhail Ivanovich charged his deputies G. Medvedev and D. Didkovskiy to reply immediately. This took 72 days. This incident was soon forgotten, since such things happen all the time. There is food for thought here. We refer here to the fact that administration directors have been known to cool their heels for two weeks at a time in the waiting room of this same G. Medvedev in order to sign important documents. Or the strange case of the Dallesprom [Far Eastern Timber Industry] representatives who were brought to Moscow. They wandered around the ministry corridors, and no one gave them the time of day. So it was that they returned to Khabarovsk empty-handed.

In the ministry corridors, they brought up the concerned "lightning-cable" from the Baykal Association, which was obviously a cry from the heart: they were being worn out, they said, by breakdowns. They needed help procuring raw materials. It seemed as though nothing could be simpler: the Siberian forest was still there. But the telegram from V. Khokhlov, administration chief, took four days to get to the next-door office, where a group of specialists spent two weeks composing a streamlined reply.

By the way, these and similar cases have been discussed by the partkom as well, and on more than one occasion. Proper assessments have been made available to the committee, and they have made enquiries of the parties guilty of bureaucratic delay and disorganization. They confirmed, for example, Deputy Minister V. Ventslavskiy's party character, but noted that he was haughty and was no team player. The ministry board took this into consideration and shortly thereafter demoted him. So sometimes they are not so nice to red tape artists. But this far from always being the case.

It used to be that, merging himself into the stream of humanity flowing in the mornings toward the approach to the ministry, Party Committee Secretary V. Ovchinnikov would automatically compare his throng of workers with those at the gates of a factory. And that's what they say: that the timber department is one of the largest departments in the capital. Here are the people sitting in offices, printing machines and telexes starting up their clatter, the familiar clicking of computer keyboards, errand boys being sent around with papers--the sector headquarters starting to work at top speed. Like they're all busy, all on the job. But there are no fewer unresolved problems. On the contrary, even more of them are cropping up.

For example, for several five-year plan periods the Ministry of the Timber, Pulp and Paper, and Wood Processing Industry has been wreaking havoc with the lumber production target. But the bottom line is that this industry produces 25,000 different critical products, without which not a single one of our sectors could manage. And isn't it paradoxical that this country, which has the world's very richest timber resources, a fourth of the world's timber reserves, is increasingly suffering from timber shortages? And now could the troubles with the administrative mechanism which keeps the gigantic sectorial machine running not fail to have their effect here? And all because of the great amount of meaningless and routine work the administrators have been burdened with.

At a special meeting of the active party membership recently, it was decided to find out why the bureaucratic style is so hard to eradicate. Thorough preparations were made for this purpose. The day before, the party members distributed about 800 questionnaires. When the computers had processed the responses, some curious things came to light. Take the group of questions dealing with the great number of meetings. A third of those questioned take off half a workday for these meetings, or even the whole day, even though their presence is not at all required. It turns out that an average of 500 leading specialists are paid only for their attendance at these meetings.

How many committees would you think have been set up to deal with different questions?--Exactly thirty! And all of them under the high command of deputy ministers. And they've held an endless number of meetings. Some specialists were put on six or more commissions and were called upon to be in several places at once. This outward show of work has supplanted the basic business.

Having studied the data from the survey, the party committee didn't wait around for the aktiv. They decided to take immediate action. For a start, they looked into the commissions. They disbanded some, and merged others similar in purpose. The number of committees was reduced by half, and soon even further. The governing boards also issued a strict time limit for the measures. Now, meetings and conferences are held at the end of the day, and not every day at that. In a word, the party committee questionnaires were doing their job and producing results, even as preparations were underway for the aktiv.

They also contained a question about the flow of paperwork which had inundated the ministry. The communist party members had long been discussing this at their gatherings, and had presented some serious facts and cases. Frequently

a dossier measurable in poods accumulates for a trifling problem. And the result? For example, to purchase moisture-resistant phenylic paper, you have to go abroad. We are only using a fourth of our capacities, and the mountains of circulars and memos hasn't helped the affair in the least.

There is one unwritten rule which has become entrenched here: that a document has to ripen, to mature. Meanwhile, enterprises stand idle and people suffer. At one time the makers of ultra-luxurious furniture began literally showering the ministry with petitions. They didn't ask for critically short materials, just the wallboard which was in stock and which the department itself manufactures. Administration managers V. Pintus, V. Gurov and V. Khokhlov had to spend five months meditating on it.

At times critically important documents bearing the minister's immediate-action signature are left to "ripen", just like any other paperwork. Having fallen into the general stream of paperwork, it takes a week for these documents to show up on the next executive level. Almost one out of four orders is implemented with some delay, and every sixth order issued this year has not been carried out at all.

In their responses to the party committee's questionnaire, many of those questioned frankly stated that there was no time to deal with these orders. They also said that they spend several hours a day, and sometimes the entire working day collecting information which is of no use to anyone, and must play the role of messenger boys and typists.

Or take the ministry's internal correspondence. It often happens, as mentioned above, that administration employees working on the same floor of an office building spend months exchanging messages instead of having private meetings or one-minute telephone conversations. There are genuine masterpieces of paper creativity among these dossiers. At times there is a secret struggle going on between main administrations and administrations to pry loose additional assets for raw materials and to have the plans for the enterprises under their jurisdiction made easier. For example, the guardians of the Perm Plywood Combine tried to have the targets for wallboard lowered as much as possible. In return, associated enterprises had their plan targets raised, even for capacities which had been shut down for renovation. The guardians fell down on the job here.

For now, paper is unfortunately the master of everyone in the forestry department. One document gives birth to dozens of new ones. This flow of paperwork overwhelms and pushes future prospects into the background. Even the department board has been forced to solve most of the up-to-the-minute dispatching problems. And so the long-term problems of restructuring the economic mechanism are receiving scant attention. Only one of a hundred meetings here is devoted to developing the social sphere.

There has long been a need for decisive measures for improving the working style. And who should act as an example of genuine restructuring if not this party agency, which by its very nature is a stranger to sluggishness, bureaucratic delay and departmentalism. True, there have been attempts to influence the working style of the ministry staff. The party committee has

more than once refereed intradepartmental disputes and has organized group meetings of party members to deal with problems which sprout up in the seams between main administrations and administrations. The partkom has set up a pleasant liaison with party members in allied ministries, and this has helped untangle more than one intersectorial knot. Of late, the demand from communist managers for this service has noticeably increased and this has had a marked effect on affairs.

But it must be admitted that the common ailment has somewhat affected the party committee as well. Now and then an adopted document has given rise to a paper tempest in the party organizations of main administrations and administrations. Such a document is discussed ad infinitum, with no change in position. Take the decision of the latest accounting and electoral conference. A critical comment was made, for example, about the fact that the discussion at party meetings more often than not was reduced to strictly technical problems, and that decrees duplicated administration orders. On rare occasions the meetings took up the priority topic: the attitude of the party members toward the business at hand, as well as their initiative and responsibility.

Or the conferees spent their time talking about shortcomings in the ideological education of transport administration communists. There was a serious reproach. So what exactly was done? Thirty meetings, sittings and seminars were held. And there was a strange reaction to the comment concerning the excessive stream of paperwork, which was directed at the administration of affairs. In order to eradicate this paperwork, they drew up a mass of new papers.

There is a golden rule in effect here: cut no more timber than has increased in a year. Otherwise there won't be any for tomorrow. But the magic word "volume" often goes beyond sensible limits. The planners, for example, demand that 100 cubic m of timber be cut in places where, according to all available data, including scientific, there is a total of 90 cubic m. The above-mentioned golden rule has to be broken and the raw material base exhausted. That is why, for example, two-thirds of the timber procurement establishments in the Vologda Oblast permit overcutting of their estimated coniferous species felling areas. Plans call for the local enterprises to boost their shipments of lumber of all dimensions. As a result, for 13 years under contract, the timber cutters have failed to meet their targets, and this has led to a great many social problems. People have begun to abandon the forestry settlements, as they used to with "unpromising" forests. In just a single five-year plan period, the number of workers has diminished by almost 5,000 persons.

We had occasion to travel along the narrow-gauge railway through the once thriving, but now moribund, settlements of the Semigorodnyy Timber Procurement Establishment. Some 500 persons used to live in each settlement. They are now totally abandoned, and only the old members of several workers' families are left. And all of this is for the very same reason--there is no timber left to fell. The appetites in the oblast were too ravenous.

A great many timber procurement establishments' raw materials lasted only for a single five-year plan period. The last little island of virgin tayga,

located in the Vytegorskiy Rayon, is threatened with destruction. This area is devoted to the preservation of the 300-year-old pines as a monument to nature, and to keep them as genetic stock. Minlesbumprom has a simple attitude concerning the pine forest: chop it down.

"The trouble is," complain the men in charge of the Northern Tayga, "that there are major consumers near by: Moscow, Leningrad and the Volga area. It is convenient for us to ship our timber along the waterways and railroads. They tell us they need timber. So we cut it down, in who knows what quantities."

Why exactly is the forestry department cutting off the branch on which they are sitting? Why is the party committee, which has the right to supervise the work of the ministry staff, watching such wasteful planning so calmly?

Party Committee Secretary V. Ovchinnikov once attempted to discover the sources of this waste. Especially as signals had started coming in which needed looking into. For example, there was no firewood for heating the huts in the forestry settlements. Or no timber allocated for plank roads, even though this disrupts the timber-hauling operations. And there was still the problem which had come up with crating materials. To manufacture these materials, plans had been drawn up for firewood, which cannot be used to produce the needed timber blanks. And so, as always, they used good lumber earmarked for customers and had to pay huge fines. And this is how millions of scarce cubic m of wood were used up. And so the enterprises were impelled to carry out exhaustive felling operations. They would be glad to clear out a vicious circle, but the planning organs failed to respond to the numerous letters from the ministry. What is to be done?

Ovchinnikov reported this to the Gosplan Party Committee, and inquired about the liability of those responsible. It turned out that Gosplan department chief V. Tatarinov, a former Minlesbumprom employee, had at one time protested against the exhaustive felling. Ovchinnikov decided to drop in on him and have a little talk, communist to communist. Tatarinov confirmed that the needed procurements of firewood would not be forthcoming. But, he said, don't judge too harshly if our resources don't tally.

And does the fact that they tallied on paper really make it any better?

Yes, there really are quite enough problems here. If, for example, we were to introduce the experiment of the GDR here, in which two-thirds of the waste paper is recycled into their production, then there would be no need to cut our thinning forests off at the root. As for us, we recycle only a very small percentage of our paper. And here, the ministry has its own plans to set up small-scale reprocessing shops. This means that capital investments will be needed. But there has been no response to seven letters from the ministry. Once again, Ovchinnikov appealed to Gosplan Party Secretary I. Chuverin, who responded, "This is an economic question. Let those decide it who are authorized to do so."

"That's why I'm talking about red tape, and responsibility for formal written replies. About the fact that for over a year your Communist Party members,

your directors, haven't answered my letters," objected Ovchinnikov. But apparently he failed to convince them. To this very day there has been no response.

It seems that the circle is closed. Even the door to Gosplan has literally been slammed in Ovchinnikov's face. Even though hundreds of Minlesbumprom employees go there freely on their own passes, the door is shut to him.

"You're not authorized," says the sentry, blocking Valeriy Aleksandrovich's way.

All of this, including the shut door, are the costs of style.

Recently the active party membership was called to a meeting, which was unlike the other meetings. Prior to the meeting, a text of the report had been handed out. A group of communists summarized proposals and comments and inserted corrections and addenda. Many received criticism. People came to the party committee and asked to be given the floor. The names of 43 people were registered. In order to give the floor to most of those who wished to speak, it was decided not to read the entire report, as those in attendance had already had the opportunity to familiarize themselves with it.

Everything went as planned. The communists said anxiously that it was taking too long to break with the obsolete style. The mirage of well-being had up to now hidden the real picture from view.

And here are the first results of this exacting discussion. Recently, the party committee severely punished Deputy Minister D. Didkovskiy for irresponsibility and bureaucratism, and have judged it impossible that he retain his position any longer. This is a good lesson for anyone who only talks a lot about restructuring.

Ministry Response

Moscow LESNAYA PROMYSHLENNOST in Russian 27 Dec 86 p 1

[Unattributed report: "The Lessons of Righteous Criticism"]

[Text] During an enlarged session, the USSR Minlesbumprom board and party committee discussed the article "In a Maze of Circulars", published in this year's 8 December issue of PRAVDA (reprinted in LESNAYA PROMYSHLENNOST on 9 December).

The discussion, which naturally went beyond what could be presented in a newspaper, was sharp, principled and exacting concerning the essence of the criticism. The state of affairs in the sector was analyzed frankly and severely. The actions of those whose names were printed were assessed directly and incisively. Minister M. I. Busygin and his deputies G. L. Medvedev, K. M. Prodayvoda and V. A. Sentyushkin, Party Committee V. A. Ovchinnikov, board members A. Ye. Skorobogatov and A. Ya. Dirks, and others who spoke out in

self-criticism noted that the PRAVDA article accurately reflected the flaws in the working style and methods of the ministry staff.

The planning miscalculations, the instability which is impeding any future action, the undemocratic administration, the bureaucratism, the red tape and the formalism when taking up urgent matters, the endless string of fruitless meetings, the lack of initiative and persistence needed to solve long overripe problems all have a negative effect on the way the sector meets state planning targets. The board members are more occupied with dispatch functions than with taking up questions of strategy. In no way does this style meet the requirements of the 27th CPSU Congress or conform to the character of the restructuring now underway in the country.

Many of the administrative staff's leading workers and specialists are inaccessible to visitors, are buried in empty, routine work and instead of doing something to break free of inertia, to seek out and find non-standard solutions and new forms and methods of management, they get totally wrapped up in meetings and paper creativity. The out-of-town working sessions they conduct at sector facilities have little effect.

The following administration directors are using obsolete and out-of-date methods: Comrade Skorobogatov, of the timber-cutting industry; Comrade Solomonov, of the saw-milling and timber working industry; Comrade Dirks, of the economic planning administration; Comrade Yakunin, of the technical administration; Comrade Senchenko, of the capital construction administration; Comrade Khokhlov, of the timber-supplying administration and Comrade Sidorchuk, of Glavzaplesprom [Main Timber Industry Administration in the West]. They have been too patient with those who violate executive discipline, who do not focus their attention on solving the sector's most pressing problems and who are involved in secret substitutions, petty patronage and unwarranted regimentation of the economic activity of the associations and enterprises. There are also a number of serious defects in the administrative work of the leading workers and the educational institutions (Comrade Fedorenko, chief).

The speakers emphasized the need to rid the sector once and for all of such negative factors as the toleration of unbalance and disproportion in planning, cutbacks in the financing needed to strengthen the material base of the sector's science, the slowing down of developments in the social sphere such as the construction of housing, preschool institutions, clubs, schools, stores, canteens (including mobile canteens) and other cultural and personal facilities.

Particular emphasis was placed on the need to concentrate the efforts of the sectorial staff on accelerating scientific and technical progress, on equipping our production facilities with state-of-the-art equipment, on the mass introduction of progressive production methods and advanced experience, and on improving the ways in which we use material resources, primarily electric power, fuel, timber and timber wastes. In this way alone, we could increase labor productivity and find a successful resolution to our primary task, which is that of making the optimal use of the national economy and the population in the production of timber and paper products.

The article's comment about recycling waste paper back into production, which we do to a lesser extent than other countries, has found support.

The board and partkom accepted the correctness of the criticism of the ministry in the article "In a Maze of Circulars", and have required that the directors of subdivision staffs take immediate measures to eliminate all the shortcomings which the article revealed, and that they radically improve their administrative style and methods, improve the business-like character and raise the level of responsibility of the labor force, and increase supervision of the manner in which these decisions are carried out. The ministry's leading workers, including deputy ministers, have been given specific assignments to this end. These assignments are primarily concerned with the strengthening of those staff sections which are behind in their work, particularly locally. This is to be carried out by our highly skilled and energetic labor force, which is capable of solving problems on a level which corresponds to present-day requirements.

Leading workers and specialists of the ministry's central staff are to be certified in 1987.

It has been recommended that the newspaper LESNAYA PROMYSHLENNOST and sectorial journals throw some light on questions related to improving the working style of the ministry staff, and of the sector's associations, enterprises and organizations.

V. K. Gusev, USSR Council of Ministers deputy chairman, participated in the meeting and addressed those present.

The board of USSR Minlesbumprom and the Presidium of the Trade Union Central Committee have jointly adopted the decree "Dissemination of the Working Experience of Yu. K. Ushakov's Integrated Timber-Cutting Brigade, of the Kargasok Timber Combine's Tomlesprom [Tomsk Timber Industry] Association. The decree is to be published in upcoming issues of this newspaper.

12659

CSO: 1824/119

FORESTRY AND TIMBER

REORGANIZATIONAL CONCERNS OF TIMBER MINISTRY DISCUSSED

Moscow SOTSIALISTICHESKAYA INDUSTRIYA in Russian 23 Jan 87 p 2

[Article by V. Selyunin, economic reviewer for SOTSIALISTICHESKAYA INDUSTRIYA, Kirov - Murashi - Moscow: "The Ministry -- View From A Timber Enterprise"]

[Text] 1. Paradoxes of trivial concerns. We are studying an ordinary fact. On 3 September of last year, a meeting was held in USSR Minlesbumprom [Ministry of the Timber, Pulp and Paper and Wood Processing Industry] on the subject "operational Results in August and the September Plan." Minister M. Busygin called for fulfillment of the plans. The chief of Kirovlesprom immediately stated that his association would meet the schedule for the transporting of wood is just 3 days. The chief of Tyumenlesprom promised to meet the request on the very next day. The remaining six leaders of associations gave their assurances that they would be carrying out the directive within 4 days.

It is difficult to say if the fates of these association leaders would have been better if they had carried out their promises. Inevitably, there would have been a suspicion: are they presently doing nothing for us? As it turned out, all of the conditions were available for carrying out the plan. Only instructions from the minister were lacking. However, this problem never arose. Kirovlesprom, for example, finally achieved the schedule not on 6 September but rather on 19 November.

The complaisance of the association chiefs is not of particular interest. They mastered the rules of the game long ago and were aware that nobody is released from a meeting until the minister has obtained the required assurance. More importance is attached to understanding the position of the branch leaders. What can explain this steady faith in the force of the directive?

It was exactly a week later that Deputy Minister N. Savchenko sent a telegram to the chief of Kirovlesprom G. Melnikov: "The assurances you gave us are not being carried out." And subsequently it was explained how the situation could be remedied within a day's time: "the required numbers of workers and mechanisms must be made available."

Moreover, the ministry knows still another method for correcting the situation. At the beginning of the year, a simple and yet bright idea came to light here: if wood is hauled out of the forest also on weekends, the work will proceed much more rapidly. The minister issued a telegraph instruction in this regard in April and he cautioned: "Personal control will be exercised." The order was later duplicated repeatedly. From August through November alone, the branch's leaders issued instructions on 11 occasions concerning the personal responsibility of the chiefs of associations. They were obligated to visit the timber enterprises on Sundays and issue reports while there on the successes realized. For its part, the management of this same Kirovlesprom issued similar commands to the timber enterprises: "Ensure that the weekend work is carried out at a level that is no lower than that performed during the week."

In order to learn the results, I extracted information from the daily reports for Kirovlesprom for all Fridays, Sundays and Mondays during the August to November period and thereafter I collated the work for these adjoining days. The hauling of wood on Sundays was on the average four times less than that carried out on the usual days and skidding (removal of logs from plots) was not carried out whatsoever.

Why was it not possible in this episode, similar to others, to be able to trace the link between energetic administrative actions and the manner in which the work was being carried out? I addressed this question to lumberjack brigade leader M. Zabolotskiy of the Murmansk Timber Enterprise. In the final analysis, the entire branch hierarchy exists for the purpose of ensuring efficient work by the lumberjacks. What is good for Zabolotskiy (in a singular or plural sense) is also good for the timber industry. The reply was unexpected: "But the question regarding weekend work was unnecessary." And he explained why.

There are six individuals in the brigade, four of whom are machine operators for different machines. In order to give compensatory time during the week for Sunday work, it is necessary to have two machine operators who are capable of servicing any machine. Such individuals are not available. And it makes no sense to give the entire brigade compensatory time -- this would undermine the purpose of the Sunday work. It bears mentioning that the plans are being fulfilled anyway: Zabolotskiy's brigade, similar to neighboring ones, has been working in behalf of 1987 since the beginning of December.

After pondering this situation thoroughly, I began to have more respect for the director of the timber enterprise A. Rozhkin. Each day, upon receiving stern instructions, he punctually promised to undertake exhaustive and effective measures and thereafter he would himself protect the lumberjacks from fuss and confusion. In other words, this individual bore the brunt of the battle, at least until such time as the work was proceeding well. In this manner, he also saved the management (indeed, it is a known fact that the best way to ruin a chief is to literally carry out all of his instructions).

But what will happen then? The gigantic administrative machine spins about, the telegraph wires are scorching hot with a flow of instructions and statements and the directives are delivered by mail in bags. In theory, an

administrative signal, similar to electric current, must move through the circuit to production, stimulate useful work there and return in the form of a report on what was accomplished. However, the middle and lower echelon leaders place a short crosspiece between the direct and reverse lines and the signal immediately returns to the ministry essentially in the same form in which it was sent. All energy is expended for changing somewhat the words circulating in the chain: take measures -- measures are undertaken, deliver to the enterprises -- delivered to the enterprises.

Administrative theory includes the following concept: self-sufficient system. When an organization undertakes an excessive number of functions, the number of administrators grows. Sooner or later it will reach a certain critical number, at which point the apparatus will begin to work against itself. The upper strata will write, the lower strata will respond and work will continue. Real life is ignored, since it only inhibits a well organized administrative mechanism. This is no different than the black holes computed by astronomers: there is in the universe clusters of matter which are of such strong density that no signals, even of quantum light, are capable of penetrating to the outside.

Here there is nothing new. The present reorganization is the third one for the ministry. I have written concerning the previous two. They tried to carry out the first soon after the reconstruction of the ministries in the middle of the 1960's. An economic reform was in progress at that time. Despite its intention, the ministry literally ordered the enterprises about and it was ordered to cease its trivial support for production. This never came about.

The second reorganization took place in the early 1970's -- new general plans were introduced for administering the branches. The idea consisted of releasing the branch staff from having to exercise operational control over production and transferring this work to the middle echelon -- to cost accounting industrial associations, which were created in place of the main administrations. But everything reduced to a mere changing of signs. It is hardly necessary to prove that Kirovlesprom, similar to any other association in the branch, is a typical main administration in its worst variant: it is a point for the shuffling of papers from top to bottom and in the opposite direction as well. No decisive changes have taken place in the administrative methods. Today's business papers compare textually with those which I read 20 and 30 years ago. Only the dates and signatures are different.

These reorganizations could not be successful. In the restructuring of ministries in 1965, one basically indestructible collision was embodied in the administrative mechanism. In accordance with the conditions for this reform, the enterprises were granted rather extensive rights, but at the same time a firm and simple solution was adopted: the ministries were to bear complete responsibility for ensuring that the national economy was supplied with the products called for in the nomenclature assigned to them. And this was the final goal of production. In order to achieve it, all of the meaningful aspects of production had to be controlled. The ministry objectively required practically all of the rights in the branch. They had to be taken from the enterprises -- they could be obtained nowhere else.

Thus, it was all logical: on one occasion, responsibility for the final result rested with the ministry -- and it was granted rights; on another a occasion, an enterprise was left with no rights -- it was forced to bear responsibility only for the carrying out of commands.

However, the experiment of many decades teaches that the upper and middle echelons of branch administration are not capable of directing production efficiently. Ideally, it represents utopia and yet in actual practice it is double-dyed bureaucratism. In order to acquaint the capital with the status of affairs at a timber enterprise, using telegraph, an abundant amount of information must be drawn together at the center. A daily summary alone includes 37 positions. As reported to the Editorial Board by the deputy director of the computer center for Krasnoyarsklesprom V. Laletin, the ministry "annually approves approximately 500 indicators for operational reporting. Naturally, the indicators multiply at the association level and number somewhere in the neighborhood of 400. The majority of engineering and technical workers spend a minimum of one half of their time preparing information." The chief of the PTD [production and technical department] for the Murashi Timber Enterprise V. Barantsev complained during a discussion with me: "We protest against illegal reporting and they explain to us: we require information from you rather than reports."

What is the purpose of these mountains of figures? Upon detecting a deviation from the norm in them, however trivial, the ministry immediately issues a directive. A flow of commands is issued in response to a flow of information. The result has already been mentioned. However, the reason for the failure lies not in the fact that the ministry's workers are doing something wrong. With the exception of bureaucratic scribble, nothing else is being done here in behalf of operational control over production.

In all probability, the branch's leaders are offended: bureaucratism is red tape and here the administrators respond instantly to each reduction in work and thereafter they issue clear and specific commands. This is all very true and yet I view bureaucratism differently it is the conscientious and punctual fulfillment of administrative functions which cannot be carried out by a particular organ.

Then how is a reorganization expressed? It is in an acceleration in paper turnover: where 10 papers were written earlier, now 20 will be written; where a week was required for issuing a command, it now is distributed in a day's time?

Alas, this is not a supposition. Prior to the reorganization, a turnover was encountered now and then in business papers "Required within a period of 3 days." The situation is better now. On 17 October for example, 1st Deputy Minister G. Medvedev sent a telegram to Kirovlesprom "Only 26 percent of the timber-carrying roads have been converted over to a continuous work week. Halt this conversion work immediately." And on 1 May he ordered that the schedule be followed commencing 14 May.

I maintain that an improvement in or the reorganization of operational control cannot be carried out from a ministry. This function must simply be removed

from its jurisdiction and transferred to a lower element. But then it will be necessary to release the branch's staff from direct responsibility for ensuring that consumers are supplied with products. The ministry is not responsible to all customers in a collective sense, but rather the enterprises are responsible to their partners for deliveries carried out in accordance with the contractual schedules.

Similar thoughts have been expressed in the past. But they are usually followed by the statement that a ministry, once released from trivial operational concerns, is free to concentrate its efforts on the more important problems of branch development. However, is it possible that one administrative function can be cut off without affecting others. We will discuss this question in the next letter.

7026

CSO: 8144/3503

GOODS PRODUCTION, DISTRIBUTION

STATE INSPECTION CONTROL FOR DURABLES INTRODUCED IN 1987

Moscow IZVESTIYA in Russian 23 Nov 86 p 2

[Interview with G. D. Kolmogorov, chairman of the USSR State Committee for Standards, by Yu. Grinko under the rubric "Quality Is the Key to Acceleration": "What Should State Inspection Be Like?"; date and place not specified; first two paragraphs are IZVESTIYA introduction]

[Text] State inspection--a strict, fundamental measure intended to attain a radical improvement in the quality of output and to place a reliable barrier in the way of rejects--is being introduced as of 1 January 1987. Motor vehicles, tractors, equipment for feed production and animal husbandry, television sets, refrigerators, and a number of other major articles will be encompassed by extradepartmental quality control. Throughout all ministries state inspection is being introduced at one-third of all the enterprises producing one-half of the country's industrial products. The USSR State Committee for Standards will head this work.

At IZVESTIYA's request G. D. Kolmogorov, chairman of the USSR State Committee for Standards, tells how special nondepartmental control bodies will function.

[Question] Georgiy Dmitriyevich, the conference at the CPSU Central Committee particularly stressed that the preparation for state inspection was a fundamental problem during its introduction. What specifically are its requirements?

[Answer] Naturally, this is not a simple matter. First of all, it is necessary to proceed in the direction of ways to ensure a high quality of articles and to map out ways to improve technological processes. However, it is not enough to restructure equipment and technology--it is also important to attain a high level of labor organization and to introduce order in what pertains to materials and accessories. Of course, ensuring the competence of personnel is the problem of problems.

All of these seemingly are problems lying, as the saying goes, on the surface. Meanwhile, to solve them means to make an important forward step. I will cite experience already accumulated by a number of industrial enterprises in the course of the experiment. Incidentally, I would like to note that successful

collectives consented to participation in it. Their managers were confident that the strictest accountability for quality did not pose a threat of serious complications. Nevertheless, even there our workers at first were forced to prohibit the production or shipment of products. As a consequence, plans were disrupted and indicators were lowered. To this day not all the participants in the experiment succeeded in reestablishing an equilibrium. Technologies, standard technical documents, measurement and testing facilities, and plant technical control departments proved to be too neglected...

With the introduction of state inspection on a wide scale many collectives can be in a difficult situation. Therefore, the range of requirements, whose fulfillment makes it possible to minimize the painful period of adaptation, has been precisely outlined.

Pending the introduction of state inspection it is necessary to bring standard technical documents for the produced products in full correspondence with state standards. If required (as a rule, it is), design and technological documents will have to be revised and made more specific. It is necessary to strengthen technological discipline and to certify equipment, accessories, and tools in advance. Finally, it is necessary to take measures so that technical control services start operating properly. However, to train people and to carry out the necessary explanatory work in collectives is, of course, the chief thing. Everyone should believe in his strength and ability to work properly.

[Question] How are these requirements being fulfilled?

[Answer] There are many examples of an active, efficient, and all-around preparation. They have been demonstrated by the collectives of the Kama Motor Vehicle Plant, the Moskva Production Sewing Association, the Voskresensk Minudobreniye Production Association, the Bakelektrobytpribor Production Association, and so forth. However, it seems to me that in this case it is more important to talk about contrasting examples.

Some economic managers used the time given them for preparation only to arm themselves with arguments, which, it seemed to them, enabled them, if not to take their enterprises away from state inspection, to postpone it, or at least to reduce its volumes. With such a "preparation" they place themselves and, above all, the collectives entrusted to them in a difficult situation.

The deviations of technical documents from the requirements of standard documents still occur at the Poltava Production Knitwear Association. They require considerable updating at the Bezhetsk Agricultural Machine Plant, the Kalininsk Railroad Car Building Plant, and the Rzhev Motor Vehicle and Tractor Equipment Plant. At the Khimlabpribor Plant of the USSR Ministry of Instrument Making, Automation Equipment, and Control Systems technical documents have not been worked out at all for one out of two articles. Obsolete monitoring and testing instruments are used at the Shostka Svema Production Association. Color film is controlled visually--simply speaking, by eye. In our opinion, the Dulevskiy China Plant and the Leningrad Spinning-Thread Combine are not ready for state inspection.

After all, the time left before the new year amounts to nothing. Without restructuring our work in an appropriate manner, is it possible to count on a high quality of products under the conditions of strict accountability for this key indicator?

[Question] Georgiy Dmitriyevich, some enterprise managers are concerned about the following: Will the transfer of a whole detachment of highly skilled industrial specialists to state inspection bodies not become a kind of "pumping" of experience and intellect from the sphere of creation of physical assets to the sphere of evaluation of their level? In the opinion of some of our readers, this concern is not without a basis. In fact, by strengthening one front, will we not thereby expose another?

[Answer] There's no denying that highly skilled workers are needed everywhere. The question lies in another matter--where are they more needed now. After all, an inefficient utilization of personnel, in particular disregard for the sphere of quality control, was largely the reason for the unsatisfactory state of affairs. With respect to the division of the technological cycle into production and control areas, in this case it is totally inadmissible. Control proper is only a part of the work entrusted to state inspection bodies. Therefore, it is more correct to talk not about moving specialists from one section to another, but about using them at a different strategic level. Their knowledge and experience should be fully uncovered here. I am confident that all economic managers understand this.

With the organization of state inspection, as a matter of fact, the Archimedean restructuring level intended to revolutionize industry has been put into effect. From admonitions on how one should work we are changing over to active forms of effect on the quality of labor. Naturally, those who feel incapable of working under new conditions resist them as much as they can. For example, using the set of "objective" factors worked out for decades, V. Brykalov, general director of the Shuya Production Weaving and Finishing Association, requested that the introduction of state inspection be postponed until 1988. It is also difficult to explain the position of G. Nikitenko, UkSSR deputy minister of light industry, who requested that state inspection be not introduced at the Kremenchug Knitwear Factory, because the enterprise... did not observe sanitary norms. In itself this fact is sufficient to stop such production.

There are no reasons justifying the output of poor-quality products, which, consequently, no one needs. This simply cannot be! Therefore, as of next year state inspection will begin to be in effect at each of the 1,500 planned enterprises.

[Question] On what criterion have they been selected? Do they include the most successful enterprises, or vice versa?

[Answer] There is one principle. Products of decisive importance for the country's economy, as well as basic accessory materials necessary for their production, are subject to state inspection.

[Question] What about consumer goods?

[Answer] Are they really less important? It is not accidental that enterprises producing television sets and refrigerators were placed under control even at the experimental stage.

[Question] However, many plants are producing goods, so to speak, additionally. Is it possible to apply the same standard to them as to specialized products?

[Answer] There should be one standard--a high quality. Where state inspection bodies have been organized, all products will be checked with the same exactingness, without allowances.

[Question] Will the sign of state inspection be placed on every article of the checked batch?

[Answer] If, for example, transistors are checked, this is simply impossible. Present volumes of industrial production would require a whole army of "stamp holders." The appropriate mark is entered in accompanying documents for the entire batch of articles.

[Question] Everything we have talked about applies to enterprises, where state inspection is being introduced. Will enterprises, where it is not being introduced, operate according to the old method?

[Answer] An end will be put to disorder everywhere! Measures are taken, even if slowly and with difficulty, to introduce general order in the services of the technical control department.

In connection with your question I would like to draw attention to one fundamentally important circumstance. Every enterprise, at which state inspection is being introduced, is connected through cooperative arteries with dozens and sometimes even hundreds of allied enterprises.

For example, as O. Kurashov, director of state inspection, said at a recent conference at the CPSU Central Committee, the workers of the Kama Motor Vehicle Plant had more than 450 of them. The model developed in the course of the experiment, which is now becoming a state system, presupposes the organization of a prompt effect on suppliers of raw and other materials and accessories irrespective of whether there is state inspection at this enterprise or not. For this it is sufficient to directly contact the territorial body of the State Committee for Standards at the place where the slipshod enterprise is located. Directors of every state inspection will be provided with operational communication. Thus, coordinating the actions of permanent representative offices of the State Committee for Standards at base enterprises with "mobile" territorial state supervision bodies, it will be possible to close the country's entire industry into a single chain of

permanent control. Not a single signal should remain unnoticed, so that no "unsupervised" enterprises will remain in the future.

Incidentally, we also intend to "identify" this chain in the radio link-up organized by the all-Union radio. We will invite producers and coproducers of rejects. The country should hear about its heroes only.

[Question] Many letters from the readers of IZVESTIYA contain the following question: Being the second control echelon, being, as the saying goes, "behind the back" of the workers of the technical control department, and controlling products already accepted by them, do state inspection bodies not duplicate the work of the plant service? In this connection proposals are made to change the procedure of their interaction and to make dual control parallel, not sequential. If they work side by side, this will eliminate the very need for the "return" of rejects: The decision will be adopted locally.

[Answer] First of all, a fundamentally new system, not "dual control," is introduced with state inspection. Working for the same goal, workers of the technical control department and state inspection supplement, not duplicate, each other. The plant control system is an integral part of the technological process. Its workers are required to control quality step by step at all production stages. Control points are outlined in the course of technological development and are mandatorily fixed in approved technological processes.

Highly skilled state inspection specialists are required to both diagnose the state of the production process and to concentrate the efforts of the collective on eliminating vulnerable spots. In other words, they also carry out work on preventing rejects.

But what some readers of this newspaper propose precisely signifies duplication. Incidentally, duplication is not possible: After all, the number of state inspection representatives is tenfold lower than the number of workers at the service of the technical control department. However, above all, "dual" or parallel control, as experience shows, leads only to the fact that the point of the activity of technical control department workers is emasculated and, as a consequence, their responsibility declines and their attention to work diminishes. The technical control department worker begins to rely on the state inspection associate standing next to him. The latter, in turn, will begin to deal less with strategic problems, which is his first duty.

With regard to expenditures their estimate through a simple multiplication by two is incorrect. The point is that far from all articles are controlled repeatedly. In each case the check plan is determined by flexible tactics. Economy in necessary additional checks leads to waste: Losses due to a low reliability of machinery and equipment amount to tens of billions of rubles.

To strengthen plant services of the technical control department is an important task of new bodies. Using their knowledge, prestige, and, finally, rights, they will help to provide them with the necessary equipment and modern means of control--in brief, to introduce the necessary order in these services.

[Question] Will then state inspection fulfill its role? Will it be possible to give up this radical measure?

[Answer] By introducing order in the technical control department, it seems possible to put these services in order in the future. State inspection will thereby fulfill only the minimum program. It is necessary not only to place a barrier against rejects, but also to raise the technical level of output significantly. This is the maximum program. State inspection workers will have to reach the level of its solution. Therefore, we make such high demands on them.

[Question] Probably, it is possible to judge the business-like qualities of the workers of the new controlling body even at the preparatory stage?

[Answer] It is not enough to be only technically competent and enterprising. A political outlook and moral maturity are necessary. We will judge state inspection workers on the basis of the combination of these qualities. It must be admitted that it was not possible to fully avoid errors in personnel selection. Not everyone is up to the heavy burden of responsibility. As discussed at the conference, sometimes attempts were made to substitute paper work for a specific act.

There are also cases of an unconcealed lack of principles. For example, I. Ponomarenko, director of state inspection at the Dneprot'yazhmash Plant, gave the "go-ahead" for the shipment of poor-quality and nonstandard products. His actions were characterized as nonfulfillment of direct official duties with ensuing consequences. Because of their irresponsible attitude toward work A. Arkatov, director of state inspection at the Leningrad Elektroapparat Plant, and L. Deyneko, director of state inspection at the Kaliningrad Paper Making Equipment Plant, were relieved of their positions.

A great deal has been given to state inspection workers. However, the responsibility placed on them is also strict.

11439

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ENERGY COMPLEX ORGANIZATION

WINTER ECONOMY TO FUNCTION EFFICIENTLY

Moscow PARTIYNAYA ZHIZN in Russian No 21, Nov 86 pp 15-19

[Unattributed article: "Assuring the Economy's Uninterrupted Work Under Winter Conditions"]

[Text] There is great economic and political importance in quickly completing the preparation of our economy for work under winter conditions in order to prevent the stoppage of production lines and losses from unforeseen circumstances. It is now very important for the party committees and primary party organizations, councils, management organs and leaders of worker groups to implement state instructions to resolve immediate problems that are of great significance to the successful fulfillment of the 5-year plan as a whole.

The role of a fighting program of action is served by the decisions of the 27th CPSU Congress, the July 1986 Central Committee Plenum and various speeches made by Central Committee Secretary General M.S. Gorbachev during his recent trip around our country. The adjustment of industry is the chief means of mobilizing internal potential and opportunities. The party committees and primary party organizations must give this work the necessary degree of dynamism and scale, implement it from top to bottom, constantly eliminate bureaucratic distortions and enforce among workers a feeling of discipline and responsibility.

At a meeting on 16 October of this year, the CPSU Central Committee Politburo paid particular attention to the need to take additional measures to improve the rhythm of production, complete preparations for winter work, strictly follow the production plan by item and fulfill contract terms, open new production facilities and construct new housing and public buildings.

Winter has always been a difficult test for workers in all branches of the economy and it is especially hard on the power industry. The situation has been aggravated even more by the Chernobyl accident. A large number of workers and material resources have been committed to repairing the damage done by this accident. The carrying out of additional safety measures at the nation's other nuclear power plants will make it necessary to shut them down for a certain period of time. The resulting power loss will have to be made

up by overloading the fossil-fuel power plants and that will cause more frequent repair work at these plants.

The complex circumstances in our country have made it necessary to develop and carry out an extensive set of measures aimed at stabilizing the work of industry during the fall and winter period. Factories, associations and organizations in all branches of industry will be given practical assistance.

Another positive impulse toward successful preparation for winter was given by a meeting between the CPSU Central Committee, the first secretaries of the republic party committees, kraykoms, gorkoms and the leaders of the ispolkoms of the soviets of national deputies for the republics, krays, oblasts and the leaders of ministries and departments. Efforts have been activated everywhere to ensure normal working conditions for industry and living conditions for the Soviet people. This work has had a positive influence on the preparation of our nation's economy for winter.

Over the first 9 months of this year, the workers of the coal and natural gas industry have exceeded their production plan by more than 13 million tons of coal and 11 billion cubic meters of natural gas. They have provided sufficient reserves of coal and fuel oil for electrical power plants and most of our industry. On the whole, the planned supply of fuel for communal needs has been exceeded by more than four million tons.

The work results of the fuel and energy complex's plants show that its contribution could have been greater. While the coal industry as a whole met its production plan for 9 months, about one third of the mines and collieries of the Ministry of Coal Industry (Minister M. Shchadov) failed to fulfill their quotas. Plants of the RSFSR Ministry of the Fuel Industry (Minister V. Arkhipov) fell short of their planned peat production quota by almost 6 million tons. On the whole, less-productive plants were responsible for a shortfall of more than 11 million tons of reference fuel and this constitutes a considerable portion of our nation's fuel balance.

Better work has been achieved by oil production plants which exceeded their production plan in September. However, a series of associations of the USSR Ministry of the Petroleum Industry [Minnefteprom] have still not caught up with their quotas and these include Varyeganneftegaz, Purneftegaz and Tatneft (for producing oil in Tyumen Oblast). This year's responsibilities for oil production are being slowly fulfilled.

The tasks for making up production shortages and accelerating the rate of fuel production will be successfully fulfilled if they are placed at the center of attention of party organizations, worker collectives, ministries and departments. It is necessary to critically analyze the economic activity of plants and associations, find production bottlenecks and then develop and implement a series of measures for intensifying production.

The chief task for now is to mobilize organizational, economic and social factors in accelerating production. Everywhere, it is possible to find places where better results can be achieved with the least expense.

Oil production plants have enormous unexploited potential. In Western Siberia, for example, we need to accelerate the opening of new deposits, see that unexploited oil fields go into operation and more actively introduce progressive methods for fuel production. Activation of internal reserves will provide our nation's economy a high rate of growth.

This must be discussed because the uninterrupted work of industry in winter will largely depend on the fuel and energy complex which must provide the economy with a constant supply of all types of fuel and energy. Naturally, at the leading edge are the electrical power plants whose primary task is to maintain the entire power network in a high state of readiness and complete the rapid and efficient overhaul of power-generating equipment. Unfortunately, this requirement is not being met everywhere.

Generating units were poorly overhauled at the Voroshilovgrad, Ekibastuz, Ali-Bayramlinsk State Regional Power Plants and others and this is a situation that cannot be tolerated. Strict control is needed along with systematic work among the overhaul crews and well-planned efforts to see that the overhauled equipment functions reliably and economically.

We can improve the power supply to the economy and eliminate power shortages by improving the efficiency of existing power plants. However, the directors of power plants and the Ministry of Power and Electrification (Minister A. Mayorets) have not paid sufficient attention to this problem. For 9 months of this year, the planned increase in generator loads has not been fulfilled.

At many hydroelectric power plants, construction faults and bottlenecks are being eliminated only very slowly. Since 1972, the ministry's construction organizations have done nothing at all at the Krasnoyarsk GES [hydroelectric power plant] to build a tail race and this has made it impossible to use more than 40 percent of the plant's output during peak hours in the winter.

A considerable contribution to our nation's power system can be introduced by departmental power plants whose work still leaves much to be desired. Package-stations [blokstantsii] of the Ministry of Ferrous Metallurgy, Ministry of Automotive Industry, Ministry of Petrochemistry, Ministry of Nonferrous Metallurgy, Ministry of Wood and Paper Industry and other ministries are not working at their full output. According to estimates, these power plants can produce a minimum of at least another two million kilowatts.

One enormous power reserve is to accelerate the start-up of plants presently under construction and at the present time, this is not proceeding well because builders are regularly failing to fulfill their tasks. The organizations of Minenergo USSR have in the last 9 months fallen considerably behind their annual plan for completing construction of new plants. There has been considerable delay in construction work at the Biysk TETs-1, Komsomolsk-na-Amur TETs-3, the Gusinoozersk State Regional Power Plant and at the Zaporozhe and Rovno nuclear power plants and others.

To a large extent, this is also true of new plants for the production of fuel and transport of natural gas. Construction organizations of the Ministry of

Petroleum and Gas Industry Enterprises (Minister V. Chirskov) have completed only 19 out of 35 planned compressor stations and only four out of 9 pumping stations. The laying of the Yamburg-Yelets and Sovetabad-Shatlyk-Khiva pipelines must be hastened. The construction of the Astrakhan gas-condensation complex and the opening of oil deposits in Western Kazakhstan must proceed at a faster pace.

The slow rate of construction work in the fuel and power industry is due to the fact that subordinate ministries and local management organs have not taken energetic and effective measures to improve the organization of construction work nor have they concentrated resources for start-up sites. Much of the fault here lies with the ministry party organizations and their party committees. Much of their organizational, ideological and political work does not meet the party's standards. They are neither industrious or stubborn enough, have lost their keenness for solving problems and are not very strongly monitoring the activities of the apparatus as they are entitled to by the CPSU charter.

One cannot remain indifferent when establishments of the industrial ministries are clumsy and unreliable at providing the power industry with necessary help and a timely supply of equipment and spare parts. The ministry party committees should wage an uncompromising fight to strengthen discipline and make workers more responsible for strict fulfillment of builder's orders.

Extensive opportunities for improving the situation can also be found in the party organizations at construction sites. They need to fundamentally change their style of work to improve labor organization and worker attitudes. Construction crews and sections should have a concise program of work not only for each month but also for every week and day.

The problem of stricter observation of discipline in the consumption of electrical power should be the order of the day for party committees, primary party organizations and management organs. In places, the situation is bad. According to data from Glavgosenergonadzor [Chief State Bureau for Energy Supervision], in September of last year, 720 industrial enterprises in our country consumed far more energy than their established limits. These included 48 enterprises in the Ministry of Nonferrous Metallurgy, 28 in the Ministry of the Automotive Industry, 31 in Minnefteprom and 31 in the Ministry of Electrical Equipment Industry. Enterprises and ministries often even ask to have their power consumption limits raised. What is worse, such requests are often even met. This weakens power discipline and makes life easier for managers that have stopped working for the interests of the state.

The conservation of fuel and energy resources is the chief means of satisfying industry's added demand for these commodities. This is a cause for the entire nation to become involved in and it must be undertaken on a massive scale. The broad introduction of resource-saving technologies is two to three times cheaper than increasing fuel and materials production.

On the initiative of the party organization at the Bogoroditsk "Rezurs" Factory, specialists have developed and introduced progressive standards for fuel and energy consumption which provide a material incentive to saving fuel

and energy. The party organization is working to explain to workers the sense and importance of conserving resources. Thanks to these measures, the factory has in the last 5 years increased its production by 53 percent and lowered its electrical power consumption by almost 12 percent. Many other plants in our country have also lowered the energy-intensiveness of their production.

The party committees and primary party organizations must arm themselves with progressive experience, stubbornly seek means of lowering fuel and energy consumption, see that workers make rational use of these resources and eliminate all sources of heat loss.

To a large extent, the efficient functioning of the entire economy depends on precise and continuous work of the transport network and above all, the railways and on their careful preparation for winter. Here too, not everything is as it should be. Instead of stepping up the supply of fuel to consumers in August and September, the Ministry of Communications (Minister N. Konarev) lowered shipments. Coal shipments from the Kuznets, Karaganda, Kansk-Achinsk and Ekibastuz basins have been especially unsatisfactory.

There have been serious shortcomings in ministry and department preparations for winter transport. Checks have shown that nearly every third enterprise is still not ready for winter. That is the case at the Yasinovsk Coke and Chemical Works (city of Makeyeva), the Petrovsk-Zabaykalsk Metallurgical Works, the Bogdanoviche Fire-Resistant Materials Factory of Minchermet USSR [Ministry of Ferrous Metallurgy] and several others.

Party organizations and transport workers are presented with great tasks in eliminating shortcomings in their preparations for winter. They face a serious test of their maturity and ability to catch up their work so that the transportation system will work like a well-tuned machine during winter.

Out of all the preparations for winter, housing, communal facilities and public buildings are a special case because they have directly affect the interests of every Soviet citizen and have a strong influence on life in our country, the public mood and the people's ability to work well. According to available data, the ministries and departments of the USSR and the ministries of housing and communal management of the republics are working much better than in past years.

All the same, in many krays, oblasts and rayons, serious shortcomings have still been found. The winter preparation of public and communal facilities in the Primorsky kray and in Vologda, Kaliningrad, Pskov, Rostov and Orenburg oblasts is well behind schedule. In Ivanovo Oblast, there were more than 90 cases of steam line failures at the very beginning of the heating season.

There have also been great shortcomings in the winter preparation of departmental housing and public facilities. At the Kurgan Medicine Factory and the Krasnodar Biochemical and Vitamin Complex imeni K. Marx, only half of the homes were repaired for winter. Work on the hostels at the Chelyabinsk and Altaysk tractor factories is proceeding slowly. Signs of the poor quality of repair work are also very alarming.

Party and soviet organs, ministries and departments must take a keen look at the winter preparation of housing and public buildings, pay special attention to the most tardy projects and take the necessary measures to provide materials and equipment.

The party and its Central Committee are paying special attention to timely and good preparation of industry for reliable work during the winter period, to providing under the difficult winter conditions a reliable energy supply to industry, agriculture, construction organizations and the population, to a successful completion of the year 1986 and to creating the necessary surplus for the remaining years of the 12th 5-Year Period. All of this must be accomplished as soon as possible so that any bad weather will not disrupt work, so that factories and associations, transport organizations, construction projects, collective farms and state farms will be able to step up their rate of production and the lives of our citizens will not be adversely affected by the rigors of winter.

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FUELS

STRATEGY FOR RAISING COAL OUTPUT

Kiev UGOL UKRAINY in Russian No 11, Nov 86 pp 1-4

[Lead article: "The 69th Anniversary of Great October"]

[Excerpt] The party's strategy of acceleration on the paths of technical, economic and social development, has become a basic guideline for all mining collectives in the Ukrainian SSR. For the republic's coal industry, a component part of the country's fuel and energy complex, this first of all means the effective use of available mine capabilities, persistent work towards fulfilling coal extraction plans, improving work quality, reducing production costs, improving miners' working and living conditions and systematically and energetically continuing to reequip and rebuild enterprises in the sector.

A confident start has been made in the first year of the 12th Five-Year Plan. Miners in the Ukraine greeted the Revolution's 69th Anniversary with good production indicators. In 10 months of 1986 they extracted 4.5 million tons of coal above the plan and overfulfilled plans for delivering coal to customers. Coal extraction increased by 3.4 million tons over the same period last year. Miners' labor productivity improved, there were reductions in the cost of coal extraction and considerable drops in the number of lagging associations, mines, sections and brigades.

The republic's miners were the first to respond to the CPSU Central Committee's call to workers in the Soviet Union to activate socialist competition to successfully fulfill five-year plan targets, intensify their creative search for production reserves at each workplace and be persistently economical and thrifty. Workers at the Krasnoarmeyskugol [Krasnoarmeysk Coal] Association are among the vanguard in competition. Working under the new economic conditions, they skilfully use their right to expand enterprises' independence, and focus their attention upon the introduction and use of highly productive mining equipment. All mines in the association have completed the conversion to technically substantiated output norms and increased the number of brigades on cost accounting. More than half of the wage laborers have been converted to payment by normed targets. The technical reequipment of mines is intensively under way. At present 95 percent of total coal extracted in the association comes from comprehensively mechanized longwalls. Output at each such longwall is 1.5 fold higher than the average

for the republic ministry. All mines in the association are confidently handling production targets and have more than 800,000 tons of above plan coal on their accounts.

There are many acknowledged coal mining masters among the Krasnoarmeysk miners. Following I. I. Bridko, twice awarded the title Hero of Socialist Labor, and Heros of Socialist Labor K. A. Severinov and V. I. Ignatev, the breakage face brigade led by V. S. Kuznetsov at the Krasnolimanskaya Mine continues to set records. Trying to extract 1 million tons of coal from a single longwall this year, they are confidently approaching their goal. On 28 August, on the eve of Miners' Day, they extracted almost 13,000 tons in one day from a single longwall and set a countrywide record for labor productivity and output from a breakage face.

The Sverdlovanthracite Association has achieved high indicators in competition. Responding to the CPSU Central Committee's call to the Soviet people, miners at the Mine imeni 60 Years of the USSR, the imeni Sverdlov and the imeni Voykov took an important initiative: "Extract 1 ton of coal -- save 1 kilowatt hour of electric power!" This found extensive support among other labor collectives in the association. To discover reserves for savings there was a general certification of workplaces, and specific energy conservation measures were worked out. Work was intensified on using rock to fill in worked out spaces and on eliminating air loss in ventilation systems. Order was brought into the use of lift and water pumping equipment and conveyors, a lot of electrical equipment was converted to higher voltages, underutilized generation capacity was freed and the illumination of underground and surface areas was rationalized. Special prizes and moral and material incentives were provided for competition victors. There is monthly competition at each mine. People's controllers, commissions of party, trade union and Komsomol organizations and councils of tunnel driving and extraction brigades are actively involved in work to save electrical energy. All this helped the association save 1.05 kWh for each ton of fuel extracted. The association is working smoothly and every month the national economy is delivered 40,000-50,000 tons of anthracite in addition to the plan.

There is considerable experience in solving difficult production tasks and mobilizing workers to perform them at enterprises in these associations: Donetskugol, Pavlogradugol, Sovetskugol, Shakhterskantratsit, Rovenkiantratsit and others. Collectives at the following mines are selflessly working, not slowing down from their previous rates: imeni Zasyadko, imeni Gorkiy, Znamya Kommunistov, imeni Stakhanov, Selidovskaya, Ukraina (Voroshilovgradugol), Yenakiyevskaya, imeni Melnikov, imeni Stashkov, Pavlogradskaya, No 10, Velikomostovskaya and many others.

Honest work, initiative and persistence in attaining goals and responsible concern about the state's interests are the qualities which distinguish collectives of initiators and innovators in coal production. This year 95 brigades of breakage face workers are extracting 1,000 and more tons of coal per longwall daily and 160 brigades are extracting up to 500-700 tons daily from longwalls in small seams. Two hundred and eighty tunnel driving brigades are rapidly preparing work fronts, many of these are exceeding the 200-300 meter per month mark for driving tunnels.

Together with well known masters in coal extraction such as Heroes of Socialist Labor A. Ya. Kolesnikov, A. D. Polishchuk, V. M. Gribun, Yu. M. Shatalov and others, the following are skillfully showing initiative and conscientious attitude towards their work and an ability to mobilize the collectives entrusted to them to be highly productive and to attain weighty final results: brigade leaders V. T. Chelobitchikov (Trudovskaya Mine), V. F. Yatsenko and A. M. Fedosov (imeni Kalinin), P. T. Leonov (Novogrodovskoye Mine Administration), N. I. Chernyak (Novodonetskaya), N. F. Samoryadov (imeni Gagarin) and others.

Mine builders are increasing the pace of shaft sinking and tunnel driving. This year they intend to be ahead of schedule in constructing Stage I of the Shakhterskaya-Glubokovaya [Deep Mine] and in putting into operation a number of mine improvements. Good results have been attained by the brigades led by V. S. Polovtsev, A. V. Veselov and A. P. Makartsov in the Voroshilovgrad Mine Construction Combinat.

Designers and machinery builders creating modern mining equipment to make miners' labor easier are working productively. Mines are receiving more KMT, KM-103 and KD-80 mechanized complexes meeting new technical standards, shield units for steep seams, more powerful rock loading machinery, tunnel driving combines and drill units. Over a 10 month period the measures taken made possible the following compared to the same period last year: a 4 million ton increase in coal extraction from comprehensively mechanized faces, a 25 km increase in tunnels driven by combines and a 1,200 reduction in the number of workers engaged in heavy manual labor.

While highly valuing Ukrainian miners' contribution to developing the country's fuel and energy complex, it is necessary to note that the republic's coal industry has numerous unutilized reserves and potentials for increasing extraction and substantially improving work indicators. In a number of production associations, mines and mine construction organizations there have still been no notable changes and restructuring is only listlessly under way. Economic managers and public organizations still have a superficial approach to solving key tasks in the development and technical reequipment of production. In a number of cases vital organizational work is replaced by formal and unorganized administration. It is mainly for these reasons and because of passivity and lack of confidence in the actions of managers and tardiness in taking energetic measures that there are large disruptions in the work of most enterprises in these associations: Stakhanovugol, Aleksandriyugol, Krasnodonugol, the Dneproshakhtostroy Combinat and others. This year almost one-third of all mines did not meet their coal extraction plans, labor productivity fell (increases in payments to labor were allowed to rise faster than output) and there were sizable losses from excessive production costs for coal.

At the Druzhkovskiy Machinery Building Plant imeni 50 Years of the Soviet Ukraine there was lagging in the production of KMT and KD-80 mechanized props and 2ANShch shield units, and at the Gorlovka Machinery Building Plant imeni Kirov there are delays in the production of niche cutting machines for eliminating heavy manual labor at end operations on longwalls. The mining

equipment produced by other coal machinery building plants in the republic is still low quality. A number of enterprises in the sector are not yet sufficiently thrifty and zealous. At some places these questions continue to sit on the back burner. This requires strengthening of labor and production discipline.

The republic's miners face difficult and important tasks in the 12th Five-Year Plan. In the sector it is planned to obtain the entire growth in output through improved labor productivity, improve the quality of fuel extracted, increase the volume of coal extracted from comprehensively mechanized faces and increase the amount of combine driven workings. Meeting the coal extraction targets requires about 9 billion rubles in capital investments, almost 1 billion more than during the past five-year plan. More than half of these investments will be directed towards technical reequipment, reconstruction and technical improvements at existing coal enterprises. The construction of these mines will be completed: Shakhter-Glubokaya, Krasnoarmeyskaya-Zapadnaya, Samsonovskaya-Zapadnaya, the second stage of the Sukhodolskaya-Vostochnaya, Yuzhnodonbasskaya No 3, Komsomolets Donbass, imeni Geroyev Kosmosa, the reconstruction of the Krasniy Partizan, Krasnokutskaya and imeni 22nd CPSU Congress. It is intended to begin the construction of new mines and enrichment facilities, introduce a number of projects making it possible to mechanize and automate production processes, reduce metal consumption, improve quality, increase the industrialization of construction-installation work and to assure the on-schedule introduction of facilities. It is also necessary to increase the construction of housing, schools, kindergartens, clubs, outpatient clinics and pioneer camps.

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CONSERVATION EFFORTS

UNSATISFACTORY PREPARATIONS FOR WINTER NOTED

Moscow PRAVDA in Russian 30 Sep 86 p 3

[Unattributed article by a PRAVDA and MOSKOVSKAYA PRAVDA correspondent: "City, Be Warm!: The Capital Prepares for Winter"; first paragraph is source introduction]

[Text] People remember recent times when as early as in May, the large city aktiv was getting to discuss preparations for winter. Reports loudly claimed that there was no fault in the city's preparations. Then winter itself came and the city's streets were paralyzed by the first snowfall of the year.

Public transportation came to a standstill. Tens of thousands of people were late for work. The local, central party, soviet and management organs received a stream of letters from Muscovites. Here, there has not been hot water many days, there the joints in wall panels had frozen and cut the electricity and in other places, no sand had been spread on the sidewalks. There were long lines at hospital emergency rooms.

The situation in Moscow has now improved. The ministries and departments are paying much better attention to the city's needs and the problems of its factories. The demand from specific executors has become stricter. Minenergo [Ministry of Energy] and the ispolkom of the Moscow Soviet have simultaneously decided to improve the city's power supply. However, the most important thing is not decisions because many of these have already been made. There is now stricter control over work and much less distance between word and deed. The mood in the city has changed and there is more hope for improvement and faith in a more active attitude toward the city's problems.

It can already now be said that the cold weather has not taken the city's services by surprise. At the Moscow heat and electrical power plants [TETs], 13 generator boilers, 5 turbines, 8 water boilers and 5 generators have been overhauled. Enterprises and electrical power plants have received enough fuel oil and coal to last them the winter and the power plants have also received extra containers for 60,000 cubic meters of liquid fuel. About 33,000 buildings, 88 percent of the city's housing, 90 percent of its medical establishments and more than 90 percent of its preschools and schools have been readied for the heating season.

Facts such as the following also attest to the scale of the work. Mosenergo's [Moscow Energy Administration] organizations have practically completed the overhaul of main pipelines whose total length almost equals the distance from Moscow to Sochi. The equipment at all 642 central heating installations has been repaired. Hydraulic tests have been conducted on 748 kilometers of heat lines. About 4000 pieces of snow-removing equipment have been readied for operation.

In general, the preparations for winter have been well directed and there has been less talk and more action. This is the result of daily work by party organizations, the district [rayonnyi] ispolkoms and managers. There have been fewer meetings and for that reason, district leaders are more often at the factories, kindergartens, schools and apartments of Moscow's residents. The problem of winter preparations is being seen as the most important political, social and economic undertaking. The party gorkom states the problem in this way: the coming winter should not in any way disrupt transportation, work at factories and worker productivity or affect the health of the public.

It might seem that the situation is already well in hand until one reads the following letter: "We are turning to you in hope of getting some help. We live in a house owned by the Hammer and Sickle Factory. It is a large brick house but is in very bad condition. The employees of Housing and Communal Department No. 2 under A.A. Volkov are completely indifferent to the needs of the tenants". The letter goes on to describe the leaky roof, the unrepaired driveways covered with water and the lack of hot water.

This is not the only letter of its kind. Other reader complaints have confirmed the fact that the departmental housing is in many ways poorly prepared for winter. About 44 percent of the houses have still not been inspected along with 70 percent of the medical clinics and 36 percent of the preschools belonging to departments.

One does not sense that the necessary reconstruction work at Mosenergo management is actually proceeding. For example, repair work on 6 generator boilers, 5 water boilers and 5 turbines has still not been completed. At many TETs, the preparation of auxiliary equipment for winter is getting behind schedule.

Due to poorly-scheduled hydraulic tests and repair work on heat lines and equipment, a large number of houses in the Sevastopolskiy, Leningradskiy, Volgogradskiy and many other districts have lost their hot water several times and this has resulted in numerous complaints.

Glavmospromstroy's [Moscow Chief Industrial Construction Administration] construction work on the Perovo and Frezer district heating plants and Glavmoststroy's [Moscow Chief Construction Administration] work on the Krylatskoe plant are behind schedule. In the Brezhnevskiy, Voroshilovskiy and Krasnogvardeyskiy and several other districts, Glavmosstroy has been slow to turn over a series of heating plants and apartment steam drums for operation by Glavmoszhilupravleniye [Moscow Main Housing Administration].

There have also been many shortcomings in the winter preparations at industrial establishments. This has primarily been the case with the management of thermal energy, repair of maintenance lines in buildings and construction at the gelatin factory, the Stankonormal commercial machine-building factory and the Moloko [milk] association.

Situations such as these are intolerable. That was the opinion of the Moscow Gorkom which recently reviewed a series of problems in the city's preparations for winter. The discussion was heated and stubborn and the bases for the differences were fairly substantial. The issue was not only one of providing normal work conditions for industry but also the public's health. Losses of work time due to illness have been very high and for the entire city, every worker missed an average of 13.1 days of work last year because of illness alone. The city's economy loses many millions of rubles to worker illness and the loss in work time is especially great at textiles plants, in light industry, the food industry and in machine- and tool-building plants. These illnesses are caused by seeming trivialities such as broken windows, doors poorly sealed against drafts and bad ventilation.

Along with the current and seemingly minor problems, we are also being hard pressed by other problems that require much time and effort to be solved. One of the problems that we fight every winter involves dilapidated steam and heat lines. There are about 400 kilometers of these old lines in Moscow and they must be replaced before the end of the 5-year plan. This means that we have to replace about 80 kilometers of line each year instead of the 46 that we are now rebuilding.

It is an unquestionable fact that many of the city's communal services are responsible for winter preparations but the residents themselves must not forget their own duties. It is also the common cause of residents to seal their windows and doors and help repair driveways and stairwells. In some places, a spirit of dependence on others has gotten the upper hand on common sense. At one time, in many of Moscow's microdistricts, repair teams consisting of local residents functioned quite well and were able to handle all of the needed small repairs. People have now forgotten this for some reason.

In connection with this, it must be remembered that winter does not forgive mistakes, even small ones. Therefore, under instructions of the CPSU Central Committee, party, union and other public organizations are making organizational and political efforts to increase the responsibility that managers and workers feel for the good performance of fuel and energy objects, the greatest possible conservation of fuel and energy and for the fullest possible use of existing industrial potential. Not a single worker group or resident should be left out of this very important work.

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CONSERVATION EFFORTS

SHORTAGE OF FIREWOOD FACES KRASNOYARSK INHABITANTS

Moscow EKONOMICHESKAYA GAZETA in Russian No 38, Sep 86 p 17

[Article by V. Shloma, EKONOMICHESKAYA GAZETA correspondent: "In the Taiga But Without Firewood: Lessons of the Past -- The Solution Is In Our Hands -- Fifteen and One"; first paragraph is source introduction]

[Text] "Yes, it can happen," they said at the kray fuel industry administration, "if we do not consider the quickly-changing needs of the city's residents in time".

For example, there was a similar situation last year in Krasnoyarsk and this led to an unexpected flood of complaints about the lack of firewood. At the height of the Siberian winter, emergency measures had to be taken. Only recently, it became clear that the increased demand for this fuel was the result of the active development of horticultural cooperatives and the fact that because of local traditions, every Siberian tries to build himself a wooden bathhouse. So it became necessary to find firewood for the city people.

There were even strict regulations on how state enterprises were to use timber. Now there is less and less so-called ownerless timber. It is no secret that a large part of the population, especially that of the wooded regions of the kray, has for many years been able to gather the firewood it needs because of the wasteful means and poor accounting of state wood-handling and processing enterprises. In a word, it has been no small problem for the services of the kray fuel industry administration to put the wood industry in some measure of order.

"Having learned the lessons of last winter," said bureau director N. Kulakov, "we have on our own efforts improved wood handling in several regions of the kray without having to turn to Minlesbumprom USSR [Ministry of Wood and Paper Industry]. We have considerably increased the sale of fuel in the cities where the residents had complained and especially in Krasnoyarsk. Here, for example, we have already sold 16,000 cubic meters of firewood where we had only sold 11,000 at the same time last year".

It must be pointed out that to some readers and city residents, the problem of providing firewood to the population may not even seem to be that urgent.

According to statistics, in many Siberian krays and oblasts, the rural inhabitants traditionally resort to such fuels, even in coal-mining regions like the Kuzbass and Krasnoyarsk Kray in which according to very rough calculations, more than a million cubic meters of wood is used for the needs of the local inhabitants.

N. Kulakov added: "By the way, the information is not really accurate and that is only because up to now, many different organizations have been involved in providing the public with all types of fuel including firewood. The process was not a manageable one and that is why there were so many complaints. In such a situation, how can anyone talk about efficient and economic use of a rather precious material?

"That is why we have in recent years been centralizing fuel supplies through our bases. In addition, after the new year begins we will also be made fully responsible for this work in rural areas".

The director of the kray administration of fuel industries brought up a very important and complex problem and that is the fuel supply to rural residents. The Siberian winter does not wait for January. And this means that the administration's subdivisions must provide rural areas a large amount of coal and firewood. This is a transportation problem because there is a traditional scarcity in Siberia and no contacts have yet been established with Agroprom's [Agro-Industrial Administration] trucking organizations. Furthermore, about 20 rayon fuel services must be created and mobile maintenance service system must be established.

"The solution to the problem," stressed N. Kulakov, "is in our hands. But our ministry sends us the funds to purchase coal very late and irregularly and these same funds are set up with no consideration of the peculiarities of the region or the quality of coal from the Berezovsk and Bogorodinsk pits (the KATEK [Kansk-Achinsk Fuel and Energy Complex] deposit) and the Khakasiya mines.

This is already a stumbling block to our making good preparations for the winter heating season. It might now seem that there is a really idyllic situation at the administration's fuel dumps because they are all literally choked with brown coal. However, this is low-calorie coal and is only suitable for boiler furnaces. Furthermore, this coal has a strong tendency for self-combustion, especially during the summer. To put it briefly, the enterprises of the kray fuel administration would have preferred to supply consumers more evenly from autumn through winter and into spring.

It must also be pointed out that because of its poor quality, such coal is not taken by homeowners with stove heating. If they can, in the summer, they get from the district fuel dumps a different kind of coal produced by the miners of Khakasiya.

For many years now, no one has succeeded in solving the problem of how coal is distributed throughout the year: coal for the population comes to the kray fuel administration only in the winter and for boiler shops only in the summer.

One cannot say that the republic's Ministry of the Fuel Industry does not understand the people of Krasnoyarsk. They understand them but cannot find any way of solving this problem with USSR Gossnab [State Committee for Material and Technical Supply], USSR Minugolprom [Ministry of Coal Industry] and its establishments in Krasnodar Kray. It is obvious that no one in the departments wants to risk going against a very old and unreliable system.

One can judge where this has led us from the results of last winter when a late allocation of fuel and unreliable seasonal distribution forced the kray's fuel industries to literally ration heat to local inhabitants and people very justly complained.

And this happened in Krasnodar Kray! We were really in the taiga without firewood!

At the administration, they told us about still another paradox concerning the fuel supply. Since the beginning of this year, Goskomtsen [State Committee on Prices] has used 15 different GOST standards to set 15 different prices for coal from Eastern Siberia and all of these prices do not vary by any more than a few kopecks.

"Yes," said the director of the Krasnoyarsk bureau for fuel purchasing, Yu. Tereshchenko, "coal from the KATEK deposits have different caloric levels and their prices should vary. This is totally fair because these prices are important when one considers large quantities such as those consumed by large thermal and electrical power plants. But under our conditions, at most of the small coal dumps with little personnel (there is, as a rule, one bookkeeper without any equipment), would it make any sense to keep 15 different price lists in accordance with the price requirements or GOST standard? Would it not be much simpler to average out the fuel prices and sell the coal to the population at one averaged price? After all, under the actual conditions, the coal all gets mixed together in transport before it ever reaches the customer".

The employees of the kray fuel purchase bureau feel that scrupulous observance of these requirements has done much to delay the delivery and provision of fuel. In this case, the wide range of prices works against the interests of the local inhabitants.

And what about concrete preparations for winter? Much has already been done. With the first convoys along the Yenisey and its tributaries, fuel was "dumped" in the remote northern region of the kray and in Evenkiya. All of the dumps along the Angara as far as the Boguchansk State Regional Power Plant and the most remote Kezhemskiy Rayon have all been shipped coal. The bases on the banks of the Krasnoyarsk Sea have been filled. In other words, inhabited areas that can only be reached by airplane in winter have already received enough fuel for the coming winter.

We must still make a great effort to "shake out" from the ministry the fuel supplies needed before winter comes, to operatively manage these supplies and to provide a continuous flow of fuel to thousands of consumers in rural areas and in the cities. If we fail, we will have much to answer for during the hard Siberian winter.

CONSERVATION EFFORTS

UZHGOROD PLANTS ACCUSED OF WASTING ENERGY

Kiev PRAVDA UKRAINY in Russian 1 Oct 86 p 2

[Article by T. Mandi, director of an industrial inspection group for energy supervision and supernumerary state inspector for the oblast people's control committee; U. Demchuk, correspondent for ZAKARPATSKAYA PRAVDA; and A. Kuzma, correspondent for PRAVDA UKRAINY: "Optimism on Paper"; first two paragraphs are source introduction]

[Text]--Uzhgorod--Before setting out on this assignment, we made a telephone call from the correspondent's bureau of PRAVDA UKRAINY to the director of the Transcarpathian energy sales division, V.M. Moysyuk, and asked which enterprises in Uzhgorod conserve the least amount of electrical power. "There are none," he boldly answered. "All of our enterprises are following the conservation plans".

Is this true?

We are at the Uzhgorod Experimental Gas Transport Turbines Factory , one of the leading enterprises in the city. Although the factory has won socialist contests many times, its figures on energy conservation are not too encouraging and it did not fulfill its 1985 plan for energy conservation and this year, its energy consumption increased 12 percent over last year.

At the factory, they try to talk as little as possible about saving energy and zealous use of secondary resources and that is understandable. The personnel does not have instructions showing heating times and energy is often squandered for nothing. Here are some facts. In Shop 70, some of the condensers broke down. Their automatic regulators do not work. During lunch break, two condensers were left running unnecessarily. And in Shop 50, in three places next to the turning and rotary lathes, electrical lights and searchlights with a combined power of 600 kilowatts are left burning night and day.

Machine operator B. Stebivka says: "If I have to go to the control panel every time to turn the light off and on, when am I supposed to get any work done?".

And why not put the light switches next to the machine tool? The shop directors never thought of that.

The enterprise has work plans and the proceedings from meetings of the commission for assistance in the rational use of energy. It is not a matter of conservation alone. Obviously, in preparing the next set of organizational and technical measures, it is necessary to think about the main problem which is how these plans are to be realized.

Before looking over the "Verkhovina" restaurant in Uzhgorod, we decided to meet its director, A. F. Nad. Aleksandr Fedorovich was not there. but on that sunny day, his office was festively lit by a three-lamp chandelier. Other rooms were lit just as brightly as the director's.

We look around. Although the lunchtime crowd of diners had already disappeared, the 5 4-kilowatt stove rings were still burning for no good reason.

Hot water is supplied by 14 electrical water heaters. Exactly one half of them are automatic and naturally, the proper organs have not given permission for their use. Without the knowledge of the energy supervisor, a confectionary shop had been hooked up to the restaurant's circuit. Still another "trifle" was found in the Molocharnya cafe where water was left running from two facets for no reason at all and where they tried to tell us that this was not all that important. Now it is quite clear why the Verkhovina and Kiev restaurants and the Molocharnya cafe consume almost as much electrical power as an average factory. Meanwhile, all of the restaurants and cafes in Uzhgorod waste 20,000 kilowatt-hours of electricity per year.

It was discovered that someone had tampered with the electrical meters at the Uzhgorod Road Construction Bureau No. 58. At the transformer station, we saw that the cover had been removed from the meter and the wire disconnected. Therefore, the power reading had been lowered by one third of its actual reading.

During our visit, we noticed no signs of any preparation for winter and the boilers had not been overhauled in 15 years. It is no surprise that someone had decided to "lower" power consumption by such means.

At the enterprise, there was no plan at all for saving energy this year. Figures on energy consumption were not presented for audit or analysis. Now it was clear at what cost V.M. Moysyuk assured us that all of the local enterprises were supposedly fulfilling energy conservation plans.

Unfortunately, electrical power is not only being wasted at factories. In the village of Glubokiy and the Uzhgorod-Mukachevo highway, our attention was drawn by the construction site next to the "Troyanda" restaurant. It turned out that the barmaid A.A. Zhidik had developed a "work front" for construction of her own home.

From a good distance, we could already see a wire stretched from the house to a concrete mixer. Inside the house, the lights were on and there was also the newest television model and other appliances. But according to the energy

supervisor, no one had been given permission to hook this house up to the power network.

And where were the owners?

A.A. Zhidik herself stood outside the restaurant making shishkabobs and trying to look like the new house had nothing to do with her.

We asked to see the electrical power meter and Anna Andreyevna said that she would be glad to show it but cannot leave her work. And when she did manage to free herself, it turned out that she did not have the keys because her husband had taken them. What was really sad was that she then forgot where he was working and that he was out of town and she did not know when he would be back anyway.

A few days later we returned to the construction site and saw that the wire had been removed and all other irregularities covered up as well as possible. However, the laws on energy use have ways of dealing with such clever people.

Do the people's supervisors know about cases like that? Of course, they do. The people's audit group of the village soviet under a member of the ispolkom and foreman at the Svitanok collective farm, M.M. Trachuk, has 25 members but no one goes to the trouble of checking up on electrical power consumption here.

E.M. Oreyms, the secretary of the village soviet's ispolkom answered us in much the same way as V.M. Moysyuk:

"We audited the inhabitants of our village and looked over the problem of unearned income. No deliberate violations were found".

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CONSERVATION EFFORTS

KRASNOYARSK PREPARES FOR WINTER

Moscow IZVESTIYA in Russian 5 Oct 86 p 2

[Article by A. Shcherbakov, IZVESTIYA correspondent: "Krasnoyarsk Before Winter -- Pluses and Minuses"]

[Text]--Krasnoyarsk--"First tell them about our conquests," said the deputy chairman of the Krasnoyarsk gorispolkom, N. Pavlyukov, when we interviewed him about the city's preparations for the coming winter.

I am afraid that the word "conquests" might seem a little high-blown to the reader. However, Nikolay Grigoryevich said it without any irony. For many years, Krasnoyarsk has had a serious heating shortage. Industry in the city is growing at leaps and bounds, houses and public buildings are going up but the heat supply has not kept pace with this growth. Under the maximum load, the heat shortage reaches 24 percent.

Finally some serious progress was made: the city's heat shortage was reduced by 10 percent, even with the introduction of new houses. Thanks to the accelerated introduction of new boilers at TETs-2 [heat and electric power plant], the city has much better heating.

The fifth boiler is now working at full output but there is now the problem of getting the heat over to the inner side of the Yenisey River. TETs-2 is situated on the right bank of the river where the heat supply is good for the most part. The ispolkom decided to send part of the heat to the left bank over a steam line on the bottom of the river.

The world's first functioning tunnel-type siphon-pipeline three meters wide and 565 meters long and weighing more than 10,000 tons was therefore built to cross such a mighty river. This unique record was set by the local builders and specialists from Podvodrechstroy [Underwater River Construction Bureau] of the RSFSR Ministry of River Fleets.

As early as last winter, many of the inhabitants of the city's left bank were getting heat. Two microregions were therefore taken off the shortage list. The others were helped through the cold season by Krasenergo [Krasnoyarsk Power Bureau] which built an extra 9 boilers in existing plants.

Finally, the problems of the city's heating supply will only be solved by the TETs-3 whose construction was carried out under the supervision of the gorispolkom, however, this plant will only be able to start generating heat in 1989.

A real possibility for improving the city's heat supply was offered by surplus heat from the giant heavy excavator factory which was under construction but the workers of the Divnogorskenenergopromstroy [Divnogorsk Energy Industry Construction] Trust did not complete construction of the lines before the cold season. They did not manage to reconstruct the boiler shop and television factory because of mistakes made by the subcontractor, Promstroy. Builders from the Krasnoyarskalyuminstroy Trust [Krasnoyarsk Aluminum Construction] built steam lines from the boiler shops of two factories. Around the city, departmental enterprises have interrupted the scheduled overhaul of 48 boiler shops.

Without excusing the guilty, it is necessary to advise them to better conserve and save what heat they have and to carefully prepare housing and transport for winter.

It is true that the ispolkom has had its successes in this matter: by the start of the present heating season, the overhaul plan for the heating network was overfulfilled and nearly four kilometers of pipeline were repaired. For the first time in recent years, all of the local soviet's housing was certified as ready for winter.

Good means of controlling winter heat losses have been offered by the "005" centralized information-dispatch service created by the gorispolkom. Citizens are turning to this organ more often now when transportation breaks down or the supply of water, power or heat is interrupted. It has helped to conserve kilowatt-hours and gigacalories but even more so, much time and nervous energy. However, the service already needs to grow now. To meet the landslide of calls (as many as 150 a day now), more workers are needed. Their wages could be covered not only by the kraykomunkhoz [kray communal management] but also by the city's enterprises.

However, enterprise directors are still far removed from such problems and that is probably why every fifth house of the departmental housing fund was not readied in time for winter. The energy supervisor was forced to deny the managers of almost one thousand buildings a certificate of readiness. And everyone is complaining about the shortage of materials and sanitary equipment. The need for them is truly great: the number of houses in which it is necessary to periodically replace the heating and hot water systems and sanitary appliances numbers in the hundreds. Funds are skimpy and suppliers are helpless.

However, many spare parts can be made on the spot and that is just what some people are doing. On the decision of the kray soviet's ispolkom, 30 factories received orders to make various needed housing and communal-use articles but the work is proceeding only slowly. Often, these items are made "by friendly participation" on the part of the factories rather than according to any fixed plan.

"It's not always possible to include an item in the plan as a consumer ware", explained N. Pavlyukov, "and then the plant has no interest in producing the parts that we need. There are no sanctions provided in such cases, and friendly agreements don't get you very far. Moreover, "self-made" parts are twice as expensive as those which were included in the plan."

And so it goes. And the gorispolkom should have shown more steadfastness and enterprise in this matter. The city housing authority [gorzhilupravleniye] gave me a typical example: in neighboring Altaysk Kray, they have begun to produce sanitary equipment from scrap and by-products left over by the Krasnoyarsk Aluminum Factory. Why have the local authorities not shown the same ingenuity?

Today, we are asking the question but tomorrow, it will be Old Mother Winter's turn and then what?

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